

State of  
**GEORGIA**



**GEORGIA  
DEPARTMENT OF  
REVENUE**

January 20, 1999

T. Jerry Jackson  
Commissioner

1998 ANNUAL REPORT  
Regarding Property Tax Administration

# 1998 ANNUAL REPORT REGARDING PROPERTY TAX ADMINISTRATION

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# Commissioner's Report to the General Assembly

## **Regarding Property Tax Administration**

*Georgia Department of Revenue  
January 20, 1999*

## **HIGHLIGHTS OF ANNUAL REPORT**

### **DIGEST REVIEW:**

- The Revenue Commissioner continues to insure uniformity and equalization between and within counties using the same procedures enacted in 1992, and in the manner prescribed in Article 5A of Chapter 5 of Title 48.
- Of the 53 counties falling in the 1997 review year, 9 county ad valorem tax digests failed to meet the state standards for approval, compared to 6 counties in 1996. As a result, \$236,290 was assessed in penalties and \$113,733 in additional state tax.
- Of the other 106 counties, 20 county ad valorem tax digests failed to have an acceptable overall average assessment ratio, compared to 14 in 1996. As a result, additional state tax in the amount of \$345,085 was assessed these 20 counties.
- The average level of assessment, as measured by the Median, has fallen from 38.58% in tax year 1993 to 37.39% for tax year 1997. Even so, the assessment level remains within the acceptable standard.
- The average level of uniformity, as measured by the Coefficient of Dispersion, has decreased from 15.05% in 1993 to 11.82% for 1997, indicating improvement in this statistical measure.
- The average level of assessment bias, as measured by the Price Related Differential, has also shown improvement; a measure of 101.98% in 1997, compared to 102.43% in 1993.
- County assessed values reached a high of 157.2 billion in 1997 or a 7% increase from the values reported in 1996; while the average millage rate of 25.16 decreased less than 1% from 1996 to 1997.

### **PUBLIC UTILITIES:**

- The state-wide average ratio for public utility property in 1998 was 37.42% compared to 37.86% in 1997. Though decreasing, we do not expect a continuation, as counties are

expected to perform revaluations that will improve the state-wide average in future years.

- 55 counties assessed public utility property at a ratio less than 40%.

#### **PREFERENTIAL AGRICULTURAL ASSESSMENT:**

- Since the implementation of Preferential Agricultural Assessment in 1984, the number of parcels in this program has risen from approximately 10,000 to more than 23,000; the amount of value eliminated from the digests has increased from 86.9 million to 181.3 million; and the total tax dollar lost has increased from 1.6 million to 4.6 million.
- In 1992, 1993, and 1994, interest in the Preferential Agricultural Assessment program began to drop. We feel that this is a direct effect of the implementation of Conservation Use Valuation, however, since 1995, interest in the Preferential Agricultural Assessment program has picked up again and is expected to continue to grow.

#### **CONSERVATION USE VALUATION:**

- Since the implementation of Conservation Use Valuation in 1992, the number of parcels in this program has risen from approximately 16,000 to more than 55,000; the amount of value eliminated from the digests has increased from 395.8 million to 1.2 billion; and the total tax dollar lost has increased from 8.9 million to more than 32 million.
- Interest in the Conservation Use Valuation is expected to continue to grow as property valuations increase.

#### **TIMBER TAXATION:**

- Since 1993, values reported for timber sales and harvests have increased from 493.1 million to 593.1 million or 20%, while the revenues for the same time period have increased from 11.5 million to 15.1 million, or 31%.
- Prior to 1996, each quarter the Department was required to develop a "Table of Owner Harvest Timber Values" report used by timber companies and individuals for reporting the value of timber harvested from their own land. In 1996, the change to O.C.G.A. 48-5-7.5 requiring that this be done on an annual basis has definitely saved the Department time and personnel costs.

### **SATELLITE IMAGERY PROJECT:**

- In Fiscal Year 1998, \$250,000 was funded for the implementation of the Satellite Imagery Project, whereby, many different data will be consolidated into an easy to use program for the identification of land cover changes that will be used by the counties to detect unreported timber harvests. The data will also include Georgia Department of Transportation road network coverage, digital photographs and digital topographical maps.
- The implementation of this project and the delivery of data to the counties is expected by June, 1999.
- Training seminars are now being provided to county tax officials for the anticipated start-up of the project, as well as continued training to be offered as a part of the Department's "Georgia Certification Program for County Tax Assessors and Appraisers".

### **RECOMMENDATIONS:**

- Increase the level of state appraisal expertise provided to the counties.
- Continue funding for Satellite Imagery Project.
- Provide funds to conduct research into rapidly evolving technologies as required by O.C.G.A. Section 48-5-270.
- Reinstate budget funds for minimum staff supplements.

## **Reporting Requirements**

The Commissioner's responsibility for continuing to provide the General Assembly with the effect of property tax administration and the continued enactment of laws created by legislation and administered by the Department of Revenue, Property Tax Division are as follows:

- O.C.G.A. Section 48-5-349.5 requires the examination of the digest of each county to ensure that all property valuations are reasonably uniform and equalized among the counties and within the counties. This code section provides for a status report on this review process along with the Commissioner's observations regarding the progress of the counties in ad valorem tax administration.

- O.C.G.A. Section 48-5-7.1 requires the submission of a report showing the fiscal impact of the law providing for the preferential assessment of tangible real property devoted to agricultural use.

Qualified farm property is assessed at 75% of the value under this program and this report analyzes the effect of this program on taxpayers and levying authorities.

- O.C.G.A. Section 48-5-7.4 requires a report showing the fiscal impact of the law providing for conservation use assessment of certain agricultural properties attendant with this code section.

Qualified farm property is assessed at its current use value using a table of values established by the Commissioner following specific legal procedures. This report analyzes the adverse fiscal impact, if any, on other taxpayers and levying authorities.

The Commissioner believes these separate reporting requirements are important in maintaining the awareness of the impact of its enactments.

### **Digest Review Procedures**

The Commissioner, through the Property Tax Division, has been given the statutory duty of reviewing county tax digests to determine if the digests meet the criteria mandated in statute case laws and regulation for level of assessment<sup>1</sup>, uniformity<sup>2</sup> and equalization<sup>3</sup>.

Article 5A of Chapter 5 of Title 48 establishes the procedure for the Commissioner to equalize county property tax digests between and within counties and compel county boards of tax assessors to make adjustments in property valuations so as to insure uniformity and equity.

As directed by the legislature, the Commissioner has adopted a three year digest review cycle in which each county's tax digest is reviewed extensively to determine the level of assessment, uniformity and equalization in each property class. In any given year, one third of the county tax digests are subject to extensive statistical testing. Counties which do not meet the criteria set forth in the statute and regulations are allowed an opportunity during the three year cycle to correct any deficiencies by the next review year. The other counties that are not being extensively reviewed are examined for level of assessment to equalize the state levy and public utility assessments. Any county's digest is approved by the Commissioner as being reasonably uniform and equalized if the digest meets certain standards:

For those digests submitted by counties in their digest review year, the Commissioner completes his review on or before August 1 of the following tax year. Based upon this review, the Commissioner will approve any digest when it is found to be reasonably uniform and equalized by having met the following state established standards:

- the average level of assessment for each class of property meets the state standards of 36% to 44%;

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<sup>1</sup> The comparison of an individual property's actual sales price versus its assessed value is a measure of the level of assessment. The ratio required by state statute is 40%.

<sup>2</sup> The measurement of quality of the results produced by a county's valuation program will determine if properties are valued in a uniform manner.

<sup>3</sup> Equalization is the measure of equality of assessment. In order to possess good equalization a county tax digest should value all properties at about the same level of assessment.



- the average measure of overall equalization, the *coefficient of dispersion*<sup>4</sup>, meets the state standard of 15% or less for residential properties and 20% or less for all other property classes; and
- the bias ratio, or statistical measure of *price related differential*<sup>5</sup>, meets the state standard of 95% to 110%.

The Commissioner conditionally approves the digest and assesses a penalty of \$5.00 per taxable parcel of real property if a county's review year digest contains the same or similar deficiencies as the previous review year digest. If the overall average assessment level does not meet state standards, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment level and the amount the digest actually produces for collection purposes.

For those counties submitting their digest during a non-review year, digests are evaluated by the Commissioner based on the overall average assessment ratio deviation from the proper assessment ratio of 36% to 44%.

If the Commissioner determines that a county's digest does not meet the acceptable ratio of 36% to 44%, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment rate and the amount the digest actually produces for collection purposes.

To measure the compliance of each county in meeting state standards for digest approval, the Commissioner performs a sales ratio study for each county using actual sales compared to the assessed values established for ad valorem tax purposes. In some instances appraisals performed by the State Audit Department are included to supplement the study. Each county's ratio study measures the statistical standards of level of assessment, uniformity and equalization.

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<sup>4</sup> The coefficient of dispersion is the statistical representation of equalization.

<sup>5</sup> The price related differential is the statistical measure of assessment bias. This demonstrates whether lower or higher priced properties are more accurately assessed.

Results of the 1997 digest reviews for counties falling in the 1997 Review Year and the current status of each:

The review of the 53 counties falling within the 1997 review year resulted in 9 counties being subject to the \$5.00 per taxable parcel penalty, additional state tax, or both.

COUNTY	\$5/PARCEL PENALTY	ADDITIONAL STATE TAX
Berrien	41,450	10,537
Catoosa		32,516
Dade	36,240	6,090
Elbert		7,478
Pulaski		4,250
Quitman	14,870	
Schley		1,774
Stephens		12,777
Walker	143,730	38,311
TOTAL	236,290	113,733

The review of the other 106 counties resulted in 18 counties being assessed additional state tax:

COUNTY	ADDITIONAL STATE TAX	COUNTY	ADDITIONAL STATE TAX
Bacon	3,957	Newton	33,823
Calhoun	3,331	Paulding	35,324
Cherokee	93,125	Pike	6,315
Dawson	29,070	Spalding	25,195
Fannin	8,769	Sumter	21,523
Gordon	27,353	Turner	3,525
Grady	8,688	Twiggs	5,308

Haralson	20,486	Upson	15,841
Lumpkin	9,478	Warren	3,420
Meriwether	12,028	Wilcox	3,721
TOTAL		345,085	

Several graphs are being included in this report as a visual indication of the average level of the various measurable statistical standards since 1993:

**Figure 1 on Page 11** labeled **Average Level of Assessment** indicates that the overall level of assessment has decreased but still remains close to the 40% statute. In general, Georgia law requires taxes to be assessed on 40% of the fair market value of the property. So the overall level of assessment is a measure of the effectiveness of the county's valuation program.

The overall equalization has improved significantly, as represented in **Figure 2 on Page 12**, the graph titled **Average Level of Uniformity**. The average level of uniformity indicates the equality of assessment between individual properties. Case law indicates that this is the most important measure of fairness within a taxing jurisdiction.

Beginning with the 1995 tax year the Commissioner through regulation tightened the acceptable standard for equalization and uniformity from 20% or less to 15% or less for residential properties, and from 25% or less to 20% or less for non-residential properties. For the 1997 review year, the average level of uniformity has decreased to 11.82% which was an improvement over the 1996 digest review year. This improvement is basically due to the reappraisals and updates of properties which are being performed in the counties.

**Figure 3 on Page 13** labeled **Average Level of Assessment Bias** charts the past five years average assessment bias as measured by the Department's sales ratio studies. The assessment bias indicates an improvement over the last digest review year and remains well within the acceptable range of 95% to 110%.

### **Value and Revenue**

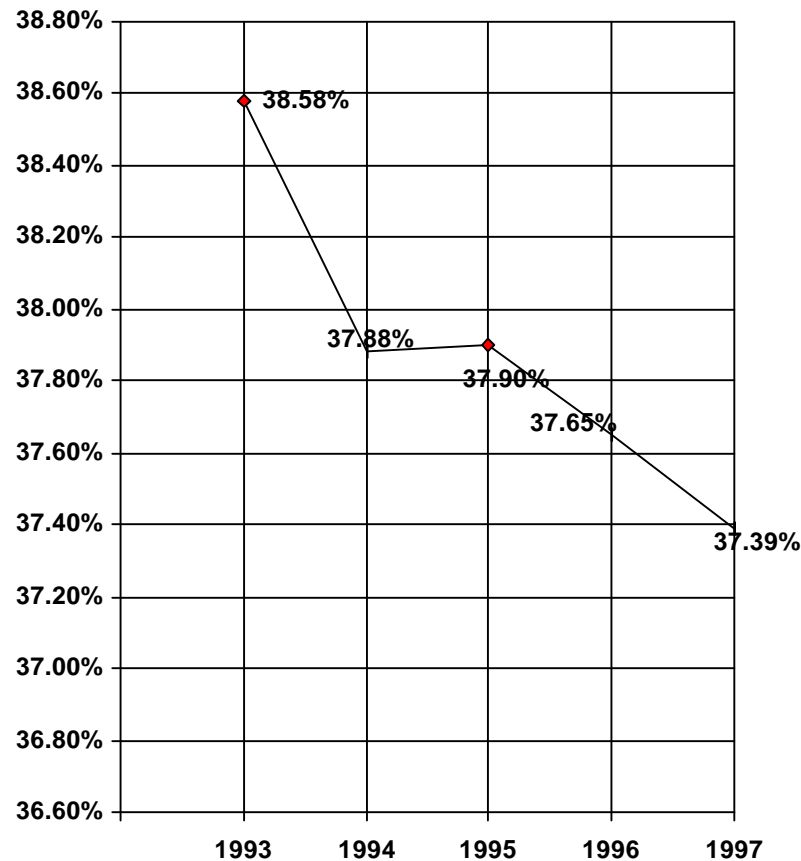
Since the implementation of the new digest review procedures, counties have been constantly

performing either total or partial revaluations and updates to properties in order to conform to the state standards for acceptable digests. In doing these revaluations and updates, property values have increased significantly since 1990. **Figures 4 and 5 on Pages 14 and 15 respectively** show the changes in the total values and the average millage during the last five years, while **Figure 6, Page 16**, shows the breakdown by property class of the values reports on the 1997 tax digests.

Property tax continues to be the primary revenue source for local governments. Currently, approximately \$4.93 billion in revenue is collected from property taxes in Georgia. Although there is limited Department involvement in the collection of city taxes, this report does not focus on this tax type. **Figures 7 and 8, Pages 17 and 18**, show the total revenues and the revenue breakdown by tax type generated from the 1997 state tax digests, while **Figures 9 through 11, Pages 19 through 21**, breakdown the tax burden between the different classes of property that exist within the county tax digests. It is evident from these figures that residential property owners continue to bear the largest share of the tax burden with the commercial property owners following next.

# Average Level of Assessment

## Acceptable Range: 36% to 44%

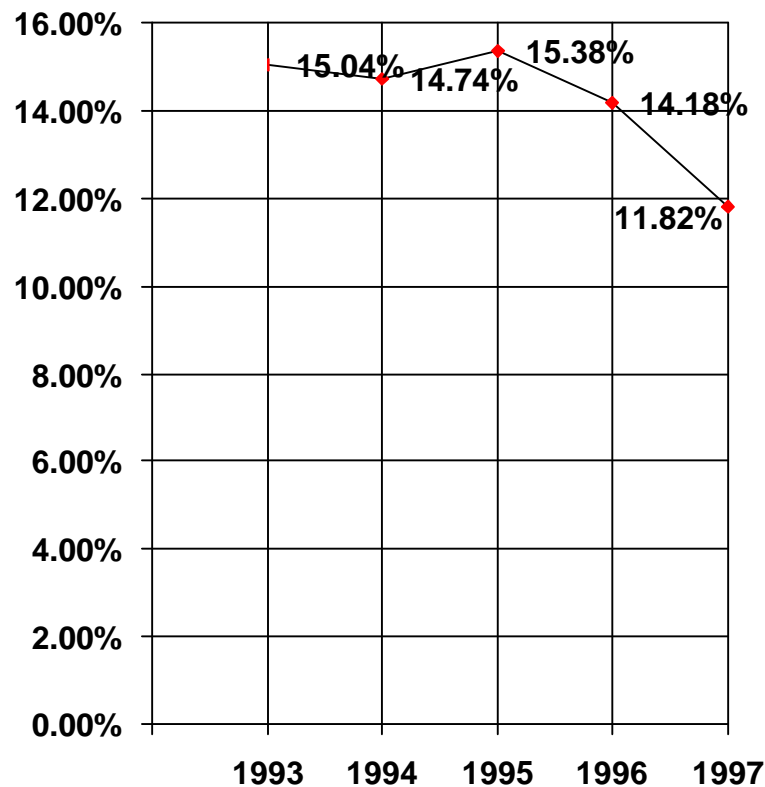


- This graph indicates a decrease in the overall assessment, however it still remains close to the 40% statue.

**Figure 1**  
**1998 Legislative Report**

# Average Level of Uniformity

## Acceptable Range: 0% to 15%

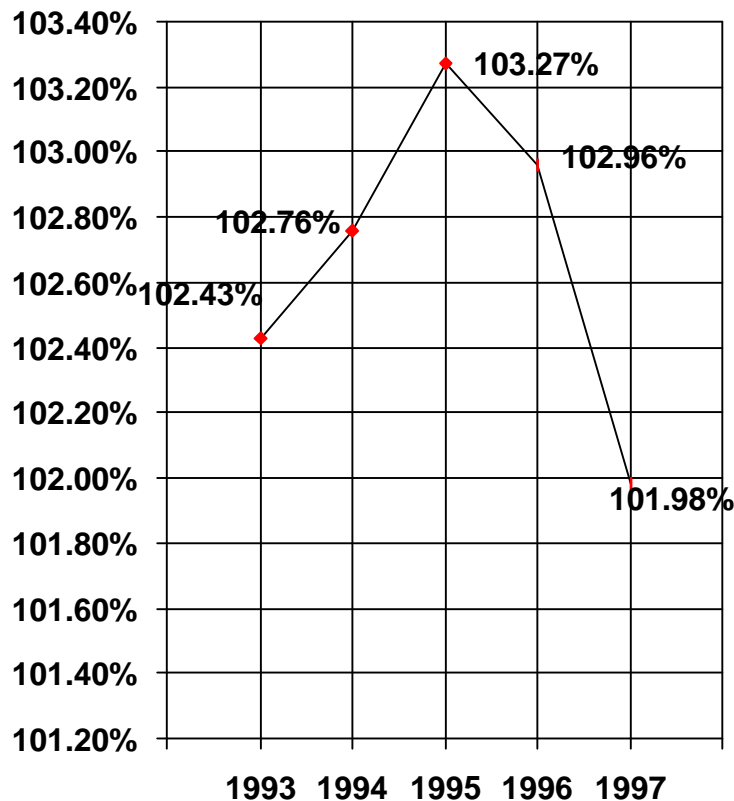


- The average level of uniformity indicates the equality of assessment between individual properties. This graph is showing a decrease of 2.36%, which is an improvement over the 1996 percentage.

**Figure 2**  
**1998 Legislative Report**

# Average Level of Assessment Bias

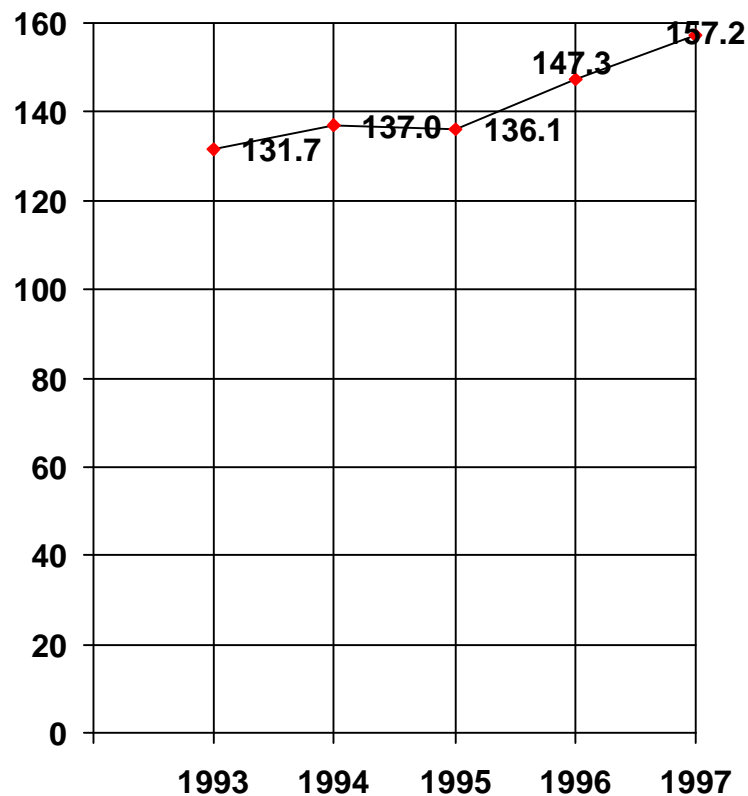
## Acceptable Range: 95% to 110%



- The average level of assessment bias as measured by the Department's sales ratio study is shown on this graph.

**Figure 3**  
**1998 Legislative Report**

# Total Values (Billions)



- This graph shows the changes in the total values for the past five year.

**Figure 4**  
**1998 Legislative Report**



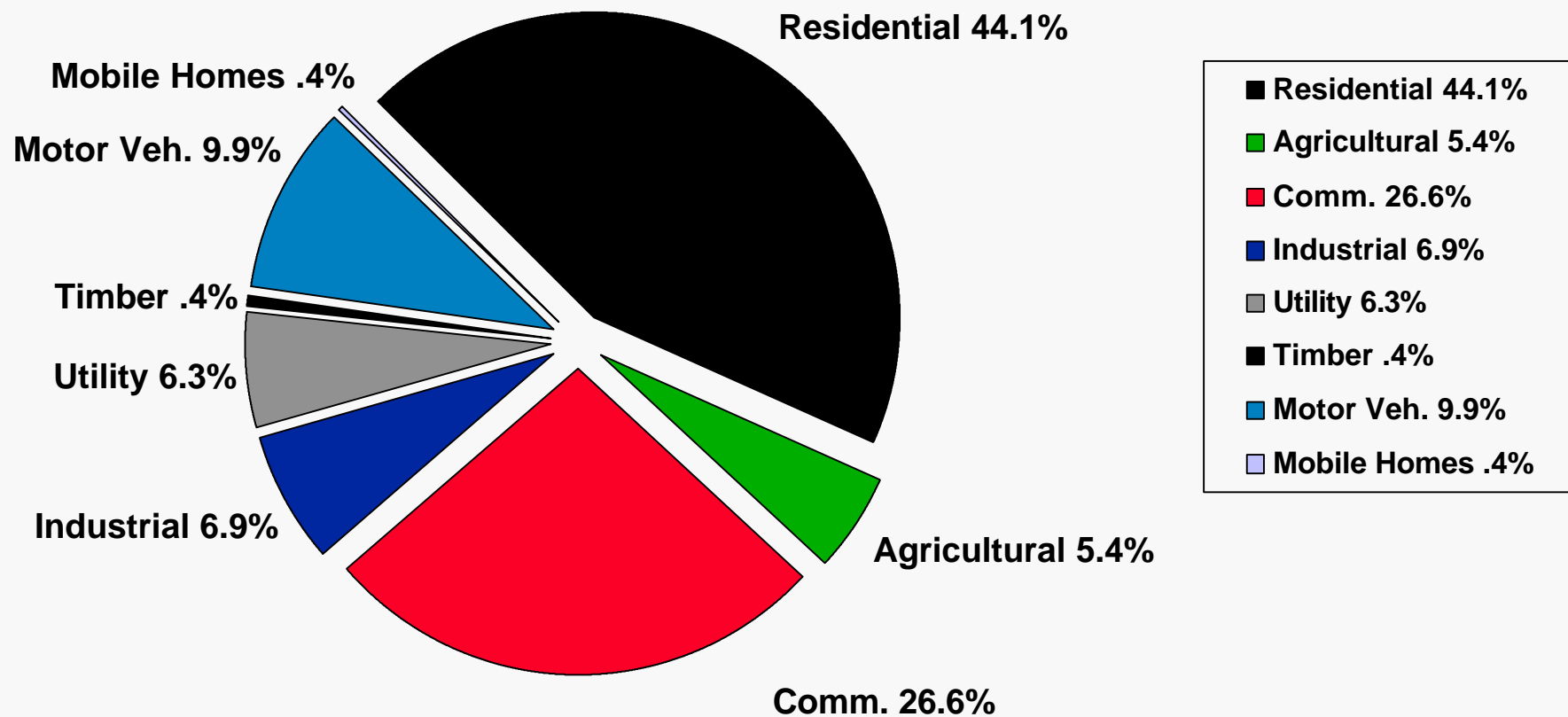
# Average Millage Rate



- This graph shows the fluctuations in the millage rate during the past five years.

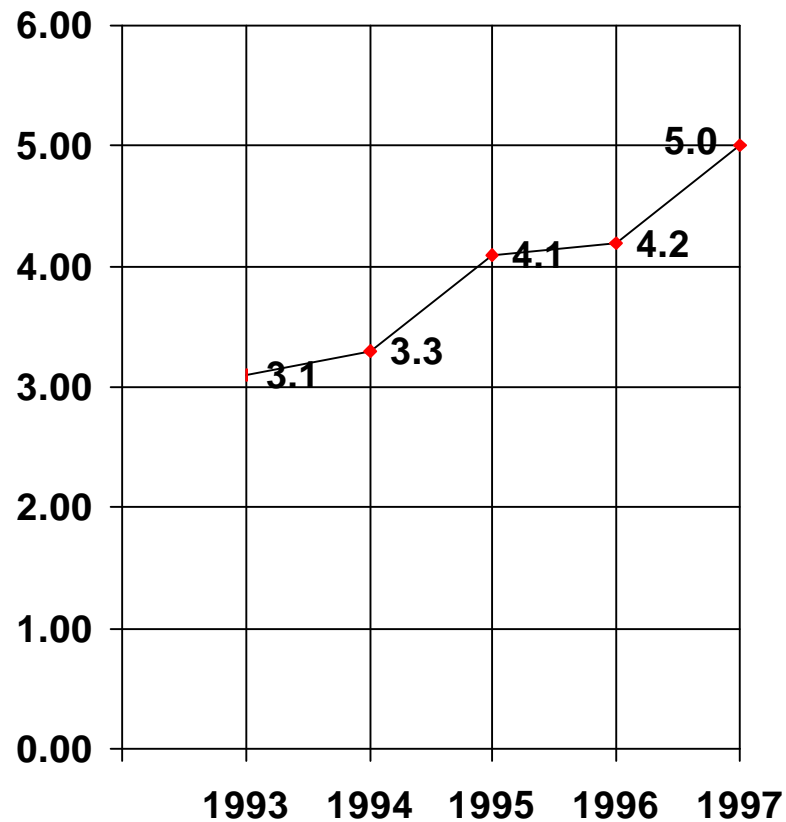
**Figure 5**  
**1998 Legislative Report**

# 1997 DIGEST VALUES BY PROPERTY CLASS



**FIGURE 6**

# Total Revenues (Billions)

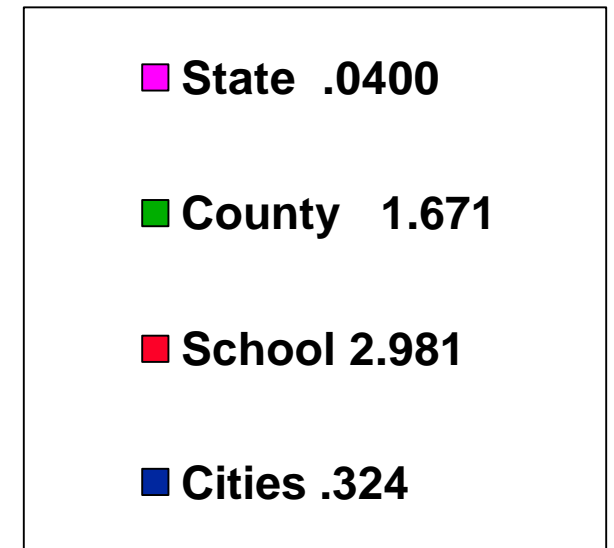
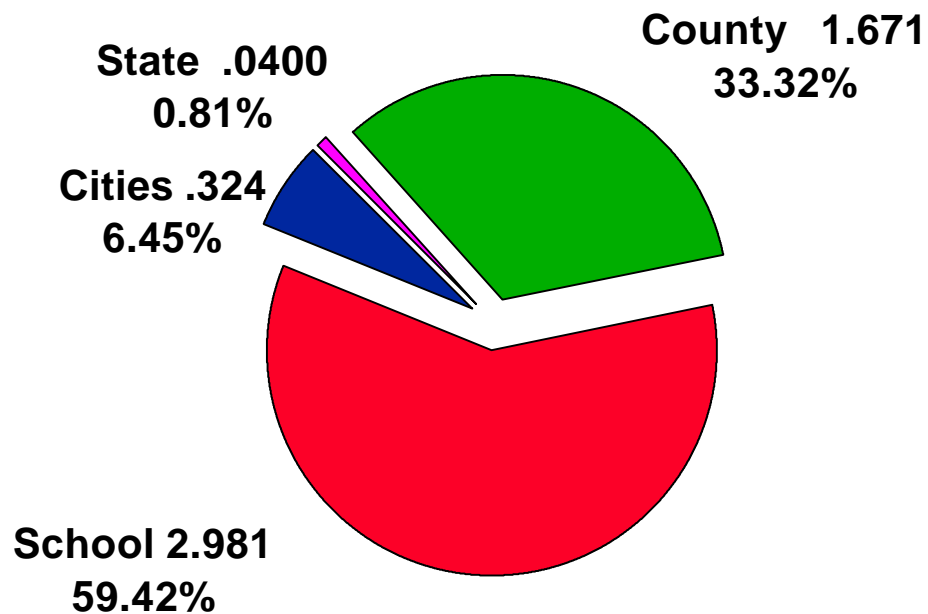


- This graph shows a steady increase in the total revenues from 1993 to 1997.

**Figure 7**  
**1998 Legislative Report**

# 1997 REVENUE BY TAX TYPE

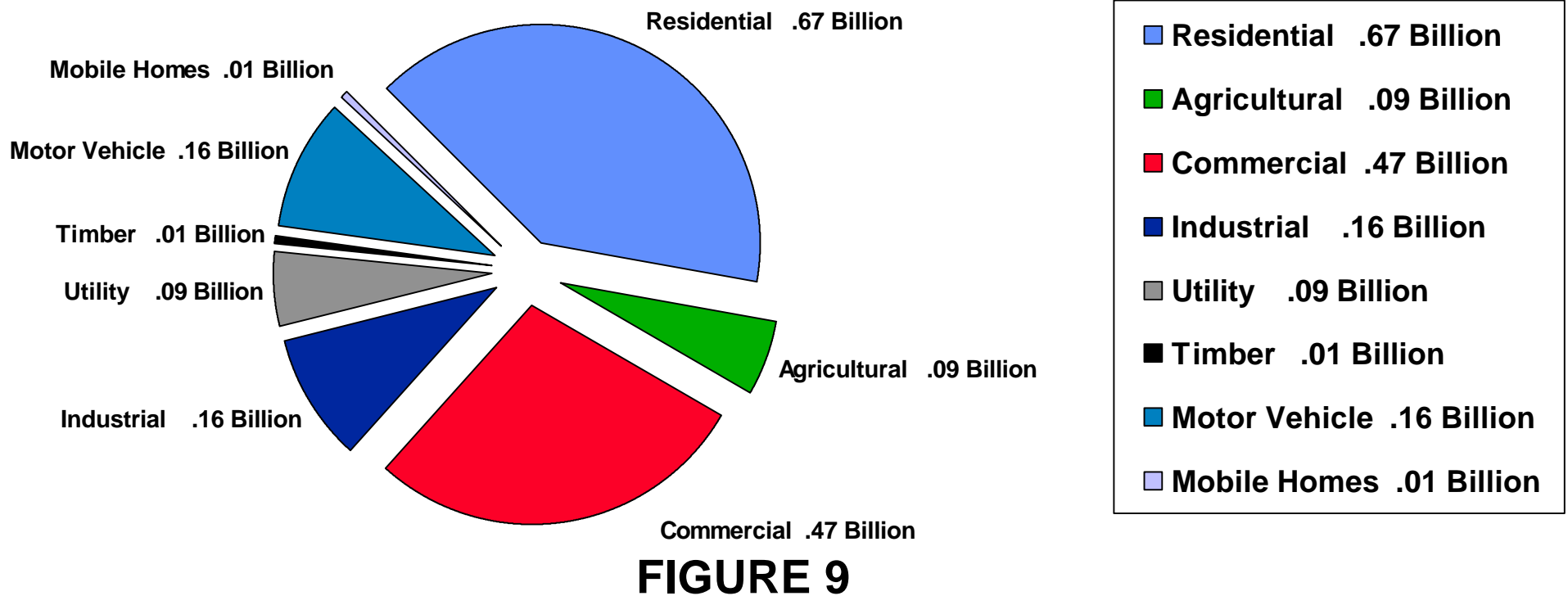
## REVENUE TOTALS = 5.01 BILLION



**FIGURE 8**

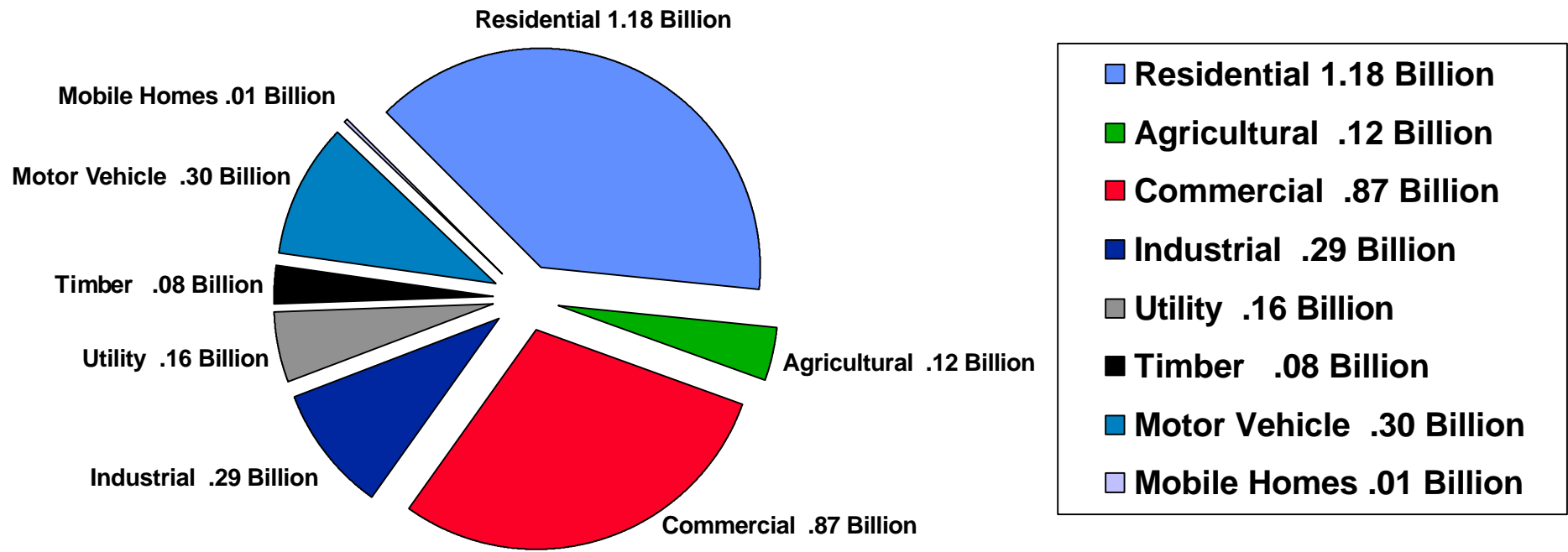
# 1997 COUNTY TAX REVENUE

## Revenue Totals = 1.671 Billion



# 1997 SCHOOL TAX REVENUE

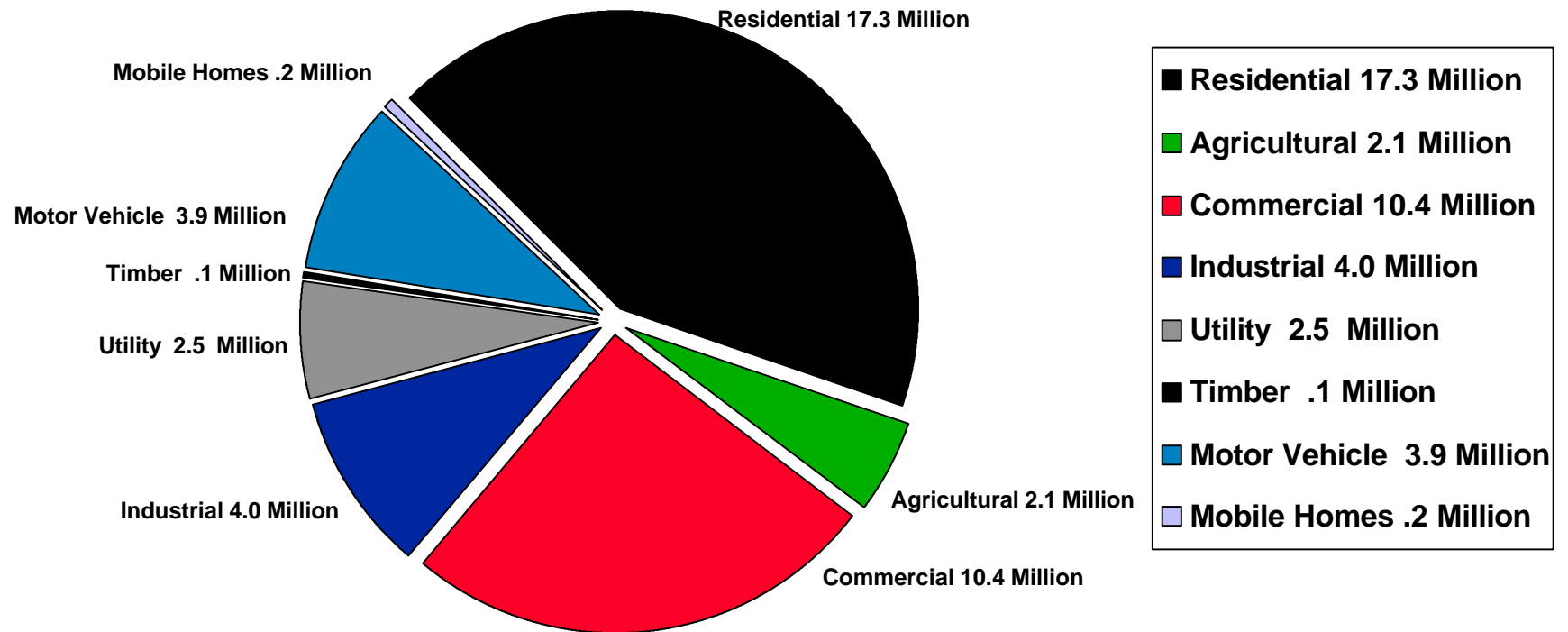
## Revenue Totals = 2.981 Billion



**FIGURE 10**

# 1997 STATE TAX REVENUE

## Revenue Totals = 40.5 Million



**FIGURE 11**

### Public Utilities

O.C.G.A. Section 48-2-18 requires the Commissioner to annually propose assessments for public utility property and to insure that these properties are assessed at the same overall average assessment level as other property in the county. Each utility company is required to annually return their properties indicating location, description, type of property and valuation. The Commissioner's staff inspects these returns to insure the accuracy of each utility company's declarations.

The location of the property must include the county within which it is located, the tax district within that county, (i.e. County, City, etc) and a physical address such as a street name. These property returns also include a physical description of the property. The utility company is required to identify the property's designated type, operating or non-operating. Operating property is defined as any property required, directly or indirectly, for the operation of the utility. Non-operating property would then be any property not required for the operation of the utility.

In determining each county's proposed assessments for 1998 public utilities and airlines, the Commissioner calculated the equalization ratios using 1997 digest totals and ratio statistics. This method insured that proposed public utility values were set at the same overall average assessment level as other properties.

Once these values and equalization ratios were approved by the State Board of Equalization, assessments were issued to the counties and utility companies. Each county board of tax assessors then determined the final assessment of utility properties by either accepting the State's proposed values or substituting their own in issuing assessment notices to the utility companies.

**Table 1** below shows each county's 1998 equalization ratio as proposed by the state and the ratio finally determined by the county board of tax assessors. In most instances where the ratio used by the county exceeds the state proposal, it is due to the county's having preformed an update or revaluation, although there are some instances where the county has greater reliance on their own sales ratio study and has decided not to use the state's proposed rate:

**Public Utility Equalization Ratios - Table 1**

COUNTY NAME	PROPOSED RATIO	FINAL RATIO	COUNTY NAME	PROPOSED RATIO	FINAL RATIO
Appling	40.00%	40.00%	Brantley	40.00%	40.00%
Atkinson	40.00%	40.00%	Brooks	37.13%	37.13%
Bacon	35.08%	35.08%	Bryan	37.59%	37.59%
Baker	40.00%	40.00%	Bulloch	40.00%	40.00%
Baldwin	40.00%	40.00%	Burke	40.00%	40.00%
Banks	40.00%	40.00%	Butts	40.00%	40.00%
Barrow	40.00%	40.00%	Calhoun	34.15%	34.15%
Bartow	40.00%	40.00%	Camden	40.00%	40.00%



Ben Hill	36.34%	36.34%
Berrien	32.64%	32.64%
Bibb	36.26%	36.26%
Bleckley	36.14%	36.14%

Candler	40.00%	40.00%
Carroll	40.00%	40.00%
Catoosa	33.22%	33.22%
Charlton	40.00%	40.00%

COUNTY NAME	PROPOSED RATIO	FINAL RATIO
Chatham	40.00%	40.00%
Chattahoochee	40.00%	40.00%
Chattooga	40.00%	38.46%
Cherokee	34.09%	34.09%
Clarke	40.00%	40.00%
Clay	40.00%	40.00%
Clayton	40.00%	40.00%
Clinch	40.00%	40.00%
Cobb	37.38%	37.38%
Coffee	40.00%	40.00%
Colquitt	40.00%	40.00%
Columbia	40.00%	38.66%
Cook	40.00%	40.00%
Coweta	40.00%	40.00%
Crawford	36.49%	36.49%
Crisp	40.00%	40.00%
Dade	34.05%	34.05%
Dawson	28.33%	28.33%
Decatur	36.91%	36.91%
Dekalb	37.64%	37.64%
Dodge	37.28%	37.28%
Dooly	36.90%	40.00%
Dougherty	37.44%	37.44%
Douglas	37.53%	37.53%
Early	40.00%	40.00%
Echols	40.00%	40.00%
Effingham	40.00%	40.00%
Elbert	35.57%	35.57%
Emanuel	40.00%	40.00%
Evans	40.00%	40.00%
Fannin	35.88%	35.88%
Fayette	36.69%	40.00%
Floyd	40.00%	40.00%
Forsyth	40.00%	40.00%
Franklin	37.25%	37.25%
Fulton	36.82%	40.00%
Gilmer	37.70%	37.70%
Glascok	36.39%	40.00%
Glynn	37.46%	37.46%
Gordon	34.93%	40.00%
Grady	35.43%	40.00%
Greene	40.00%	40.00%
Gwinnett	36.60%	36.60%
Habersham	37.74%	37.74%
Hall	37.68%	40.00%
Hancock	40.00%	40.00%
Haralson	30.13%	40.00%
Harris	40.00%	40.00%
Hart	37.42%	37.42%
Heard	36.64%	40.00%
Henry	40.00%	40.00%

COUNTY NAME	PROPOSED RATIO	FINAL RATIO
Jenkins	37.45%	40.00%
Johnson	40.00%	40.00%
Jones	37.73%	37.81%
Lamar	37.75%	37.75%
Lanier	40.00%	40.00%
Laurens	37.92%	40.00%
Lee	40.00%	40.00%
Liberty	36.15%	36.15%
Lincoln	37.19%	37.19%
Long	40.00%	40.00%
Lowndes	37.84%	37.84%
Lumpkin	35.47%	35.47%
Macon	40.00%	40.00%
Madison	37.34%	37.34%
Marion	40.00%	40.00%
McDuffie	40.00%	40.00%
McIntosh	40.00%	40.00%
Meriwether	32.62%	32.62%
Miller	36.97%	36.97%
Mitchell	40.00%	40.00%
Monroe	35.95%	40.00%
Montgomery	37.40%	37.40%
Morgan	37.69%	40.00%
Murray	36.36%	40.00%
Muscogee	40.00%	40.00%
Newton	34.41%	40.00%
Oconee	40.00%	40.00%
Oglethorpe	40.00%	40.00%
Paulding	33.85%	33.85%
Peach	37.37%	37.37%
Pickens	40.00%	40.00%
Pierce	40.00%	40.00%
Pike	34.43%	34.43%
Polk	37.44%	40.00%
Pulaski	34.59%	34.59%
Putnam	40.00%	40.00%
Quitman	40.00%	40.00%
Rabun	40.00%	40.00%
Randolph	37.86%	37.86%
Richmond	40.00%	40.00%
Rockdale	40.00%	40.00%
Schley	33.92%	33.92%
Screven	36.57%	36.57%
Seminole	37.09%	40.00%
Spalding	35.27%	35.27%
Stephens	34.99%	40.00%
Stewart	40.00%	40.00%
Sumter	31.96%	40.00%
Talbot	36.96%	36.96%
Taliaferro	36.60%	36.60%
Tattnall	40.00%	40.00%

Houston	40.00%	40.00%	Taylor	40.00%	40.00%
Irwin	40.00%	40.00%	Telfair	40.00%	40.00%
Jackson	40.00%	40.00%	Terrell	40.00%	40.00%
Jasper	36.80%	40.00%	Thomas	40.00%	40.00%
Jeff Davis	40.00%	40.00%	Tift	40.00%	40.00%
Jefferson	40.00%	40.00%	Toombs	40.00%	40.00%
COUNTY NAME	PROPOSED RATIO	FINAL RATIO			
Towns	40.00%	40.00%			
Treutlen	40.00%	40.00%			
Troup	40.00%	40.00%			
Turner	35.78%	40.00%			
Twiggs	35.38%	35.38%			
Union	40.00%	40.00%			
Upton	33.34%	33.34%			
Walker	32.42%	40.00%			
Walton	37.55%	37.55%			
Ware	40.00%	40.00%			
Warren	33.29%	40.00%			
Washington	40.00%	40.00%			
Wayne	40.00%	40.00%			
Webster	36.01%	40.00%			
Wheeler	36.91%	36.91%			
White	37.56%	37.56%			
Whitfield	37.77%	37.77%			
Wilcox	33.81%	33.81%			
Wilkes	40.00%	40.00%			
Wilkinson	37.85%	40.00%			
Worth	40.00%	40.00%			
State- wide Average	37.42%				

## Preferential Agricultural Assessment

In the 1983 legislative session, House Bill 230 was passed establishing preferential assessment of tangible real property devoted to bona fide agricultural purposes.

By statute, all real property is assessed at 40% of fair market value, however, House Bill 230 provided for a 30% level of assessment or 75% of the value at which other taxable real property is assessed. Property devoted to bona fide agricultural purposes was defined as follows:

- I. Tangible real property where the primary use is good faith production of agricultural products including:
  - a. horticultural
  - b. floricultural
  - c. forestry
  - d. dairy
  - e. livestock
  - f. poultry
  - g. apiarian products and all other forms of farm products
  - h. \$100,000 or less of the fair market value of real property devoted to the storage or processing of agricultural products.
  - i. excludes the value of any residence located on the property.
- II. Property qualifying for preferential assessment is limited to 2000 acres and must be owned by either
  - a. one or more natural or naturalized citizens;
  - b. a family farm corporation, owned by related individuals and deriving at least 80% of its gross income from agricultural pursuits on property located in Georgia.

In making application for preferential assessment, qualifying taxpayers must have signed a covenant (contract) agreeing to continuously maintain the property in agricultural pursuits for a period of 10 years. Transfers of ownership were allowed, provided the property was transferred to another qualifying entity that agreed to continue the property in agricultural pursuits for the remainder of the covenant period. Otherwise, the covenant was breached and a penalty imposed. Penalties ranged from 15 times the tax savings if the breach occurred during the first year of the covenant, to a minimum of 3 times the tax savings if a breach occurred during the tenth year of the covenant.

Since the passage of HOUSE BILL 230, several amendments have affected the provisions of preferential assessment.

- I. In 1985, the General Assembly amended the statute to allow transfers of property under preferential assessment without a penalty being assessed. These types of transfers included:
  - a. up to 3 acres of land, to be used for residential purposes and occupied by parties related to

- the covenant holder;
  - b. mineral exploration; and
  - c. for purposes of land conservation, federal agricultural assistance programs or for agricultural management purposes.
- II. The amendment also reduced the penalty to the actual tax savings realized during the covenant for breaches occurring as a result of foreclosure.
- III. A 1986 amendment added a provision allowing a reduced penalty of the actual tax savings for breaches occurring as a result of an owner becoming medically unable to continue the property in agricultural uses.
- IV. In 1987, the statute was again amended to relax the penalties for covenant breaches. Rather than penalties being assessed at 3 times all years tax savings, the amendment set up a penalty amount of only one year's tax savings times a factor of 2 to 5 depending on the year of the covenant in which the breach occurred.

Currently, the preferential assessment program will allow a covenant holder to transfer up to 5 acres of land to be used for residential purposes and occupied by parties related to the covenant holder.

## **Fiscal Impact**

The **Table 2** below shows for each tax year, since the beginning of this program, the state-wide number of parcels, the total value eliminated, the total tax dollar loss and the percentage change of each category. For 1997 the number of approved parcels for preferential assessment has continued to increase.

**Preferential Assessment Fiscal Impact - Table 2**

Year	Parcels	Percentage Change	Total Value Eliminated	Percentage Change	Total Tax Dollar Lost	Percentage Change
1984	10,001	N/A	86,969,884	N/A	1,588,974	N/A
1985	11,839	+18.4%	105,327,904	+21.1%	1,992,707	+25.4%
1986	12,642	+ 6.8%	115,411,332	+ 9.6%	2,227,704	+11.8%
1987	13,446	+ 6.4%	119,970,016	+ 3.9%	2,370,396	+ 6.4%
1988	15,306	+13.8%	134,584,711	+12.2%	2,864,733	+20.9%
1989	16,978	+10.9%	148,115,075	+10.1%	3,782,095	+32.0%
1990	19,947	+17.5%	176,780,216	+19.4%	4,010,259	+ 6.0%
1991	23,086	+15.7%	204,261,412	+15.5%	4,657,783	+16.1%
1992	23,243	+ .7%	180,985,796	- 11.4%	4,232,187	- 9.1%
1993	18,388	- 20.9%	145,151,076	- 19.8%	3,542,375	- 16.3%
1994	17,836	- 3.0%	137,170,751	- 5.5%	3,362,403	- 5.1%
1995	22,226	+24.6%	165,278,063	+20.5%	4,249,807	+26.4%
1996	23,501	+ 5.7%	174,157,485	+ 5.4%	4,410,076	+ 3.8%
1997	23,915	+ 1.8%	181,350,311	+ 4.1%	4,654,542	+ 5.5%

The Department will continue to monitor this program and provide data each year as required by law.

**Table 3( pages 27 through pages 32),** illustrates a county by county breakdown of the preferential agricultural assessment local impact fiscal analysis for 1997.

**Figures 12 & 13 (Pages 33 and 34),** show the trends which have occurred for the past ten year. Steady increases have continued to occur for 1997.

We feel the decreases which occurred in 1992 and 1993 are a result of the implementation of conservation use and the transfer of preferential agricultural covenants without penalty to conservation use covenants. The increase in 1997 is the continuation of the previous trend along with increased interest in South Georgia where conservation use values and fair market values continue to be approximately the same.

The Department will continue to monitor this program and provide data each year.

Table 3 PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Saved	County Tax Saved	School Tax Saved	Special Tax Saved	Total Tax Savings
Appling	408	2,122,036	531	15,916	28,053	0	44,500
Atkinson	486	2,415,066	604	26,655	33,207	0	60,466
Bacon	63	305,942	76	3,812	3,518	0	7,406
Baker	259	3,153,632	788	23,971	52,981	0	77,740
Baldwin	31	352,427	88	4,501	5,868	0	10,457
Banks	52	622,323	156	4,538	6,472	0	11,166
Barrow	54	363,584	91	2,933	7,097	364	10,485
Bartow	51	703,565	176	4,727	13,020	0	17,923
Ben Hill	38	414,229	104	6,213	8,388	0	14,705
Berrien	362	2,286,589	572	28,011	25,724	0	54,307
Bibb	21	108,704	27	1,476	1,943	326	3,772
Bleckley	82	559,530	140	6,474	7,498	0	14,112
Brantley	106	491,857	123	7,221	7,944	15	15,303
Brooks	461	3,304,292	826	34,795	45,831	19	81,471
Bryan	37	297,950	74	2,145	5,065	0	7,284
Bulloch	62	470,823	118	4,152	4,897	90	9,257
Burke	451	4,369,246	1,092	20,976	47,625	0	69,693
Butts	86	446,812	112	8,472	7,873	0	16,457
Calhoun	340	3,606,387	902	44,186	38,011	0	83,099
Camden	23	304,703	76	5,229	4,875	0	10,180
Candler	165	1,211,832	303	11,984	13,936	0	26,223
Carroll	307	1,643,391	411	8,546	29,335	0	38,292
Catoosa	18	105,416	26	371	1,528	0	1,925
Charlton	75	277,075	69	3,576	4,569	1,389	9,603
Chatham	0	0	0	0	0	0	0
Chattahoochee	16	144,378	36	316	1,545	0	1,897
Chattooga	55	642,114	161	5,751	6,421	0	12,333
Cherokee	4	47,140	12	323	978	0	1,313
Clarke	0	0	0	0	0	0	0
Clay	153	1,441,618	360	22,432	13,003	0	35,795
Clayton	0	0	0	0	0	0	0
Clinch	147	1,052,071	263	9,311	14,729	4,471	28,774

PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Cobb	0	0	0	0	0	0	0
Coffee	186	1,789,632	447	7,320	29,976	0	37,743
Colquitt	155	1,845,885	461	25,600	16,798	0	42,859
Columbia	22	291,794	73	1,955	5,255	0	7,283
Cook	30	287,865	72	1,937	4,462	0	6,471
Coweta	117	620,980	155	3,395	12,730	1,512	17,792
Crawford	115	767,149	192	11,315	15,331	0	26,838
Crisp	349	2,444,999	611	28,729	35,954	0	65,294
Dade	80	481,770	120	2,770	6,711	0	9,601
Dawson	17	202,225	51	1,880	3,640	0	5,571
Decatur	454	3,701,213	925	40,713	43,859	0	85,497
Dekalb	1	53,270	13	139	1,264	139	1,555
Dodge	180	1,047,874	262	12,574	13,622	0	26,458
Dooly	400	3,005,533	751	36,066	53,498	0	90,315
Dougherty	21	644,730	161	7,221	11,644	4,636	23,662
Douglas	10	61,418	15	595	1,112	0	1,722
Early	367	3,252,564	813	18,880	40,332	0	60,025
Echols	184	872,985	218	9,725	10,956	0	20,899
Effingham	69	528,478	132	4,547	9,671	916	15,266
Elbert	237	1,336,616	334	11,395	19,381	0	31,110
Emanuel	369	2,448,523	612	18,578	25,709	0	44,899
Evans	67	621,450	155	5,520	8,700	0	14,375
Fannin	2	24,800	6	157	295	0	458
Fayette	0	0	0	0	0	0	0
Floyd	35	257,644	64	2,703	4,341	322	7,430
Forsyth	85	982,580	246	3,046	17,047	983	21,322
Franklin	14	46,852	12	252	663	0	927
Fulton	37	765,740	191	7,505	15,897	6,460	30,053
Gilmer	79	411,320	103	2,563	5,313	0	7,979
Glascocock	88	509,583	127	7,979	7,241	0	15,347
Glynn	12	477,774	119	3,593	8,198	555	12,465
Gordon	243	1,291,851	323	9,120	23,770	0	33,213
Grady	343	2,927,405	732	20,318	42,447	0	63,497

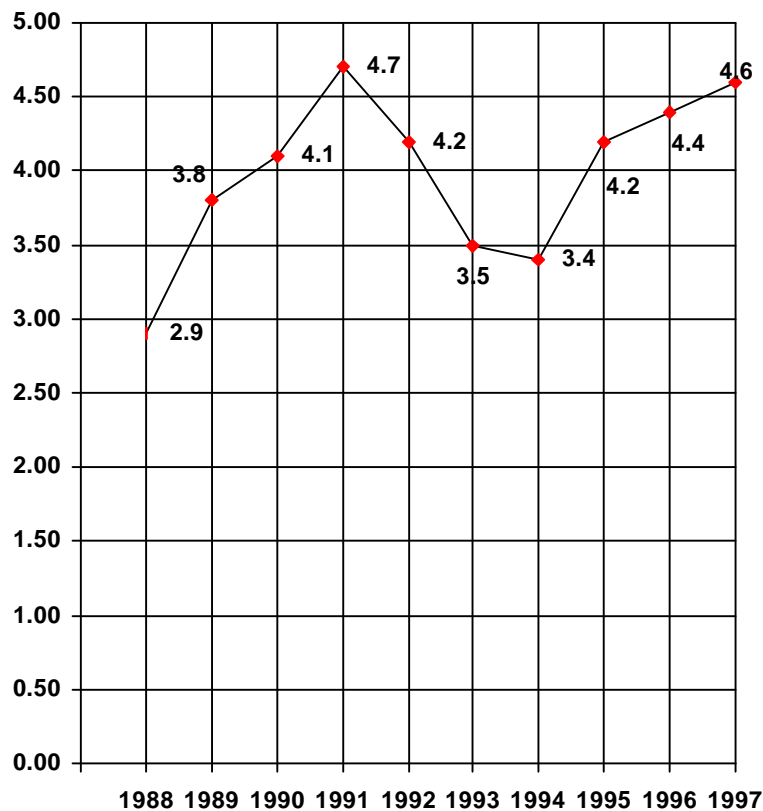
PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Greene	145	809,122	202	7,323	9,709	0	17,234
Gwinnett	1	55,000	14	553	1,142	187	1,896
Habersham	215	2,402,401	601	16,099	27,099	144,144	187,943
Hall	0	0	0	0	0	0	0
Hancock	517	3,637,167	909	100,895	61,177	0	162,981
Haralson	182	960,662	240	9,012	14,334	0	23,586
Harris	128	1,111,390	278	7,288	18,282	0	25,848
Hart	140	1,392,172	348	5,707	23,904	0	29,959
Heard	181	1,146,775	287	10,909	16,915	0	28,111
Henry	93	1,306,028	327	12,207	28,079	6,491	47,104
Houston	64	795,157	199	6,600	9,828	398	17,025
Irwin	371	2,283,507	571	25,461	38,112	0	64,144
Jackson	210	2,463,397	616	18,760	47,190	2,907	69,473
Jasper	92	1,489,666	372	17,015	23,313	0	40,700
Jeff Davis	73	1,082,286	271	7,435	13,799	0	21,505
Jefferson	334	1,951,315	488	22,474	22,440	0	45,402
Jenkins	267	1,674,914	419	24,069	19,613	0	44,101
Johnson	42	214,530	54	2,939	3,057	0	6,050
Jones	102	836,644	209	7,781	10,583	0	18,573
Lamar	57	541,414	135	4,467	9,091	0	13,693
Lanier	140	949,382	237	9,838	17,127	0	27,202
Laurens	286	1,699,597	425	11,047	24,016	0	35,488
Lee	93	3,494,045	874	43,681	55,206	0	99,761
Liberty	47	312,003	78	3,763	5,554	0	9,395
Lincoln	28	213,089	53	2,485	3,448	386	6,372
Long	103	1,025,098	256	14,353	16,197	0	30,806
Lowndes	8	52,026	13	267	746	0	1,026
Lumpkin	7	82,019	21	845	1,203	0	2,069
Macon	354	2,948,769	737	26,574	46,001	0	73,312
Madison	335	1,485,749	371	13,271	16,194	0	29,836
Marion	142	1,247,832	312	9,371	18,717	0	28,400
McDuffie	110	857,300	214	7,870	11,574	0	19,658
McIntosh	29	139,008	35	1,286	2,155	0	3,476



PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Meriwether	477	2,367,023	592	23,836	40,239	0	64,667
Miller	40	517,702	129	8,024	8,537	0	16,690
Mitchell	511	6,198,253	1,550	81,211	46,546	0	129,307
Monroe	29	323,111	81	1,971	3,932	0	5,984
Montgomery	349	1,655,186	414	14,438	22,332	0	37,184
Morgan	65	1,110,343	278	11,070	16,100	0	27,448
Murray	75	414,304	104	2,403	5,593	0	8,100
Muscogee	19	205,273	51	790	5,002	1,575	7,418
Newton	17	246,410	62	2,362	4,961	655	8,040
Oconee	12	133,635	33	1,189	2,312	0	3,534
Oglethorpe	329	2,208,685	552	21,932	34,235	0	56,719
Paulding	8	111,960	28	985	2,452	0	3,465
Peach	36	376,884	94	5,600	5,842	0	11,536
Pickens	50	712,128	178	4,565	9,899	0	14,642
Pierce	321	2,090,114	523	15,707	31,351	0	47,581
Pike	6	99,223	25	850	1,388	0	2,263
Polk	51	350,073	88	4,022	4,971	0	9,081
Pulaski	148	1,310,582	328	15,989	19,882	1,311	37,510
Putnam	71	678,092	170	8,496	8,632	0	17,298
Quitman	48	500,539	125	7,454	8,209	0	15,788
Rabun	198	1,985,043	496	16,887	14,134	0	31,517
Randolph	192	1,053,167	263	7,237	14,576	0	22,076
Richmond	15	104,440	26	617	2,149	154	2,946
Rockdale	64	291,929	73	3,784	7,293	0	11,150
Schley	93	542,710	136	7,104	8,548	0	15,788
Screven	483	3,954,627	989	51,321	60,110	0	112,420
Seminole	135	1,255,462	314	7,925	19,196	0	27,435
Spalding	98	792,165	198	9,149	14,916	2,538	26,801
Stephens	10	61,810	15	543	1,020	0	1,578
Stewart	126	1,006,266	252	11,413	12,448	0	24,113
Sumter	291	1,734,074	434	18,034	26,705	1,075	46,248
Talbot	151	1,045,070	261	16,586	15,968	0	32,815
Taliaferro	156	975,595	244	16,203	15,892	0	32,339

PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Tattnall	433	2,737,708	684	43,113	33,400	0	77,197
Taylor	297	2,531,561	633	20,259	23,037	0	43,929
Telfair	339	1,399,273	350	11,546	19,058	0	30,954
Terrell	240	1,810,113	453	21,540	26,428	0	48,421
Thomas	62	1,597,250	399	9,599	14,056	2,133	26,187
Tift	10	65,153	16	601	766	0	1,383
Toombs	144	767,468	192	4,924	9,547	767	15,430
Towns	2	36,530	9	201	146	0	356
Treutlen	167	816,204	204	12,802	9,941	0	22,947
Troup	96	469,645	117	4,147	7,881	0	12,145
Turner	199	1,473,692	368	20,632	19,895	0	40,895
Twiggs	312	1,245,965	311	13,628	22,988	0	36,927
Union	1	21,329	5	125	181	0	311
Upson	24	273,284	68	2,987	4,304	0	7,359
Walker	107	872,990	218	3,431	14,177	0	17,826
Walton	158	1,909,456	477	20,680	32,276	0	53,433
Ware	296	1,414,413	354	15,912	25,573	0	41,839
Warren	246	1,292,805	323	15,668	21,357	0	37,348
Washington	147	944,052	236	8,664	16,794	0	25,694
Wayne	256	1,695,624	424	20,178	23,400	0	44,002
Webster	125	1,089,467	272	18,015	14,119	0	32,406
Wheeler	331	1,142,475	286	12,243	12,567	0	25,096
White	40	413,325	103	2,852	6,593	0	9,548
Whitfield	191	1,711,971	428	3,520	29,275	0	33,223
Wilcox	356	2,016,229	504	31,251	25,425	0	57,180
Wilkes	313	2,401,392	600	18,705	30,162	0	49,467
Wilkinson	161	1,258,553	315	12,236	19,508	0	32,059
Worth	511	3,603,808	901	39,900	42,705	0	83,506
Total	23,915	181,350,311	45,335	1,867,804	2,554,485	186,918	4,654,542

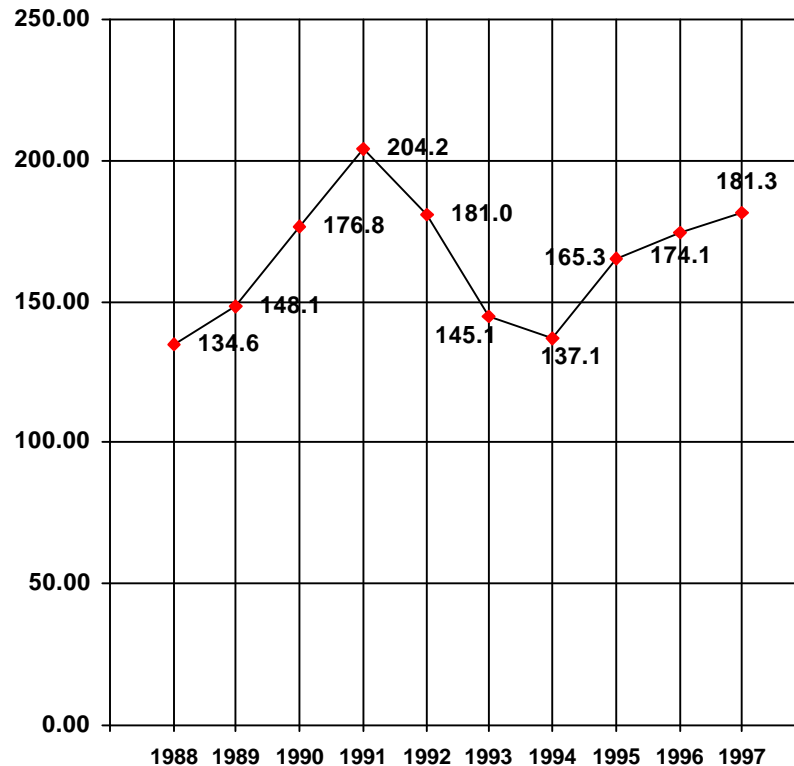
# Preferential Agricultural Assessment Revenues (Millions)



- The tax revenue lost due to properties being under the preferential agricultural assessment program is shown on this graph.

**Figure 12**  
**1998 Legislative Report**

## Preferential Agricultural Assessment Values (Millions)



- The graph at the left is showing the trends in the amount of taxable value eliminated due to preferential assessment covenants for the past 10 years.

**Figure 13**  
**1998 Legislative Report**

## **Conservation Use Valuation**

In 1991, the Legislature embraced the “current use” valuation concept although it was called “conservation use”. This bill provided for the assessment for ad valorem tax purposes of certain qualifying properties based on current use value rather than fair market value. The bill provided for the Commissioner to develop a table of current use land values to be used in all counties. The current use values result from a legislative formula which takes into account the income the land is capable of producing when growing certain crops and timber, and factors founded in market data using only farmer to farmer land sales.

The data is grouped into the nine agricultural districts in Georgia. The tax year 1997 was the sixth year of the conservation use program and county tax digests are continuing to show that taxpayers are still filing conservation use applications.

The law also opens an opportunity for agricultural land owners in preferential covenant to convert to a conservation use covenant if they choose to do so. The valuation differential between conservation use values and fair market values is most significant in the Urban Areas of North Georgia and other parts of the State where strong residential and commercial development is occurring and agricultural land owners interest is greatest in those transitional areas.

### **Difficulties in Administering Conservation Use Valuation**

The conservation use statute requires the Commissioner to develop the table of land values for use by the counties. This was a significant increase to the Property Tax Division’s field staff and now consumes fully ¼ of the available man-hours. Accordingly, there has been a cutback in the amount of technical assistance the Department has been able to provide to the appraisal of non-operating public utility property as required by statute. This under staffing is the motivation behind the Departments request in 1996 legislative sessions for assessing the non-operating public utility properties to be shifted to the counties.

The Department continues to be understaffed in administering this program and finds it increasingly difficult to develop annual valuations for conservation use covenants using such limited resources.

The Property Tax Division employs ten Principal Property Tax Appraisers and one upper management positions for approximately 3 months in the preparation of the market study and development of the regulations even though these positions are already fully engaged with existing duties. The market study required gathering, editing and qualifying sales, personally interviewing taxpayers, inspecting sales, transferring tax map information to soil maps and applying planimetric measurements

to soil maps. The total cost for personnel, expenses and other costs associated with the development of values are approximately 300,000 annually.

### **Fiscal Impact**

Several reports, graphs and charts have been compiled to show the fiscal impact of conservation use valuation:

**Conservation Use Assessment for 1997- Table 4(below)**, represents the 10 counties most affected by Conservation Use Assessment Covenants. Shown in this table is a listing by counties of the number of applications (parcel count), assessed value eliminated from the digest and the amount of tax loss for each county.

The total amount of taxes loss in these 10 counties accounted for approximately 38% of the total amount of taxes lost state-wide.

**Conservation Use Fiscal Impact - Table 4**

COUNTY NAME	PARCEL COUNT	ASMT VALUE ELIMINATED	TAX LOSS TOTAL
Cherokee	1956	102,736,800	2,888,961
Columbia	2897	32,600,051	813,967
Forsyth	817	50,432,760	1,095,344
Hall	1728	56,208,126	1,313,053
Henry	890	40,627,890	1,464,360
Jackson	817	34,878,820	982,587
Lumpkin	649	31,125,294	842,242
Morgan	734	44,144,952	781,650
Oconee	1013	33,323,098	882,904
Walton	691	32,967,421	916,887

**Figure 14 on Page 42** shows the amount of revenue loss for tax years 1993, 1994, 1995, 1996 and 1997. The amount of revenue loss has continued to increase since the inception of the Conservation Use Program.

**Figure 15 on Page 43** illustrates the trend of an ever increasing amount of value removed annually from the Statewide taxable digest. As the graph shows, from 1993 to 1997 the amount of value removed increased from 651 million to 1,193.4 million, an increase of 542.4 million dollars.

**Table 5** on the following pages provides a listing in county order, of the number of parcels receiving Conservation Use Assessment, the amount of value eliminated from the taxable digest in each county and the tax dollars lost in each appropriate taxing district ( State, County, School, Special) and the Total tax dollar lost. Special districts include the Hospital Authority, Fire District, Industrial Authority and etc.

TABLE 5 CONSERVATION USE ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Appling	33	207,787	52	1,558	2,747	0	4,357
Atkinson	45	137,485	34	1,577	1,890	0	3,501
Bacon	126	1,036,404	259	12,903	11,919	0	25,081
Baker	1	10,900	3	83	183	0	269
Baldwin	353	4,193,428	1,048	53,550	69,647	0	124,245
Banks	455	21,810,528	5,453	159,126	226,829	0	391,408
Barrow	1,085	27,934,799	6,984	225,912	545,120	27,508	805,524
Bartow	666	19,240,752	4,810	129,420	351,505	0	485,735
Ben Hill	0	0	0	0	0	0	0
Berrien	9	86,398	22	1,058	972	0	2,052
Bibb	102	1,257,718	314	17,073	22,483	3,716	43,586
Bleckley	41	529,584	132	6,208	7,096	0	13,436
Brantley	69	486,085	122	7,119	7,851	142	15,234
Brooks	151	2,688,734	672	28,298	37,293	0	66,263
Bryan	137	2,357,960	589	17,409	40,085	0	58,083
Bulloch	1,416	25,102,680	6,276	222,949	261,068	12,089	502,382
Burke	0	0	0	0	0	0	0
Butts	578	13,945,100	3,486	264,399	245,713	0	513,598
Calhoun	0	0	0	0	0	0	0
Camden	197	3,744,053	936	64,530	59,905	48	125,419
Candler	226	3,860,978	965	38,402	44,401	0	83,768
Carroll	403	5,484,822	1,371	28,521	95,018	0	124,910
Catoosa	249	6,266,274	1,567	22,172	90,855	0	114,594
Charlton	138	610,750	153	8,068	10,071	3,060	21,352
Chatham	31	1,374,951	344	8,789	27,471	3,017	39,621
Chattahoochee	0	0	0	0	0	0	0
Chattooga	262	5,084,111	1,271	45,610	50,597	0	97,478
Cherokee	1,956	102,736,800	25,684	703,747	2,132,532	26,998	2,888,961
Clarke	163	4,241,047	1,060	61,665	80,580	1,739	145,044
Clay	2	50,525	13	786	456	0	1,255
Clayton	142	3,880,368	970	18,044	71,166	17,547	107,727
Clinch	0	0	0	0	0	0	0
Cobb	634	19,955,457	4,989	152,659	350,570	133,242	641,460

TABLE 5 CONSERVATION USE ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Coffee	469	11,035,301	2,759	45,285	184,841	0	232,885
Colquitt	670	8,468,795	2,117	117,599	77,066	0	196,782
Columbia	2,897	32,600,051	8,150	218,420	587,127	0	813,967
Cook	322	6,033,863	1,508	40,701	93,525	0	135,734
Coweta	932	14,769,580	3,692	80,212	302,777	36,681	423,362
Crawford	140	1,219,718	305	18,016	24,375	0	42,696
Crisp	29	199,864	50	2,348	2,939	0	5,337
Dade	68	535,182	134	3,077	7,455	0	10,666
Dawson	349	8,341,576	2,085	77,435	150,149	0	229,669
Decatur	6	81,740	20	899	969	0	1,888
Dekalb	16	695,552	174	1,808	16,505	1,808	20,295
Dodge	0	0	0	0	0	0	0
Dooley	7	118,503	30	1,422	2,109	0	3,561
Dougherty	51	1,762,040	441	19,735	31,822	11,766	63,764
Douglas	127	5,204,869	1,301	50,383	94,208	0	145,892
Early	23	263,453	66	1,528	3,267	0	4,861
Echols	15	158,446	40	1,765	1,988	0	3,793
Effingham	423	6,772,462	1,693	58,277	123,936	11,750	195,656
Elbert	211	2,028,080	507	17,279	29,402	0	47,188
Emanuel	13	36,529	9	277	384	0	670
Evans	2	23,488	6	208	329	0	543
Fannin	585	12,002,576	3,001	75,949	142,831	0	221,781
Fayette	160	6,296,396	1,574	36,191	156,339	21,573	215,677
Floyd	551	7,389,633	1,847	77,517	124,211	9,175	212,750
Forsyth	817	50,432,760	12,608	157,295	875,008	50,433	1,095,344
Franklin	1,175	15,035,828	3,759	81,532	212,907	0	298,198
Fulton	352	18,766,490	4,694	184,010	389,800	154,607	733,111
Gilmer	859	18,041,160	4,510	112,396	233,586	0	350,492
Glascock	5	8,002	2	125	114	0	241
Glynn	61	2,197,787	549	16,527	37,714	3,586	58,376
Gordon	837	14,795,775	3,699	104,458	270,949	0	379,106
Grady	72	686,996	172	4,789	9,961	0	14,922

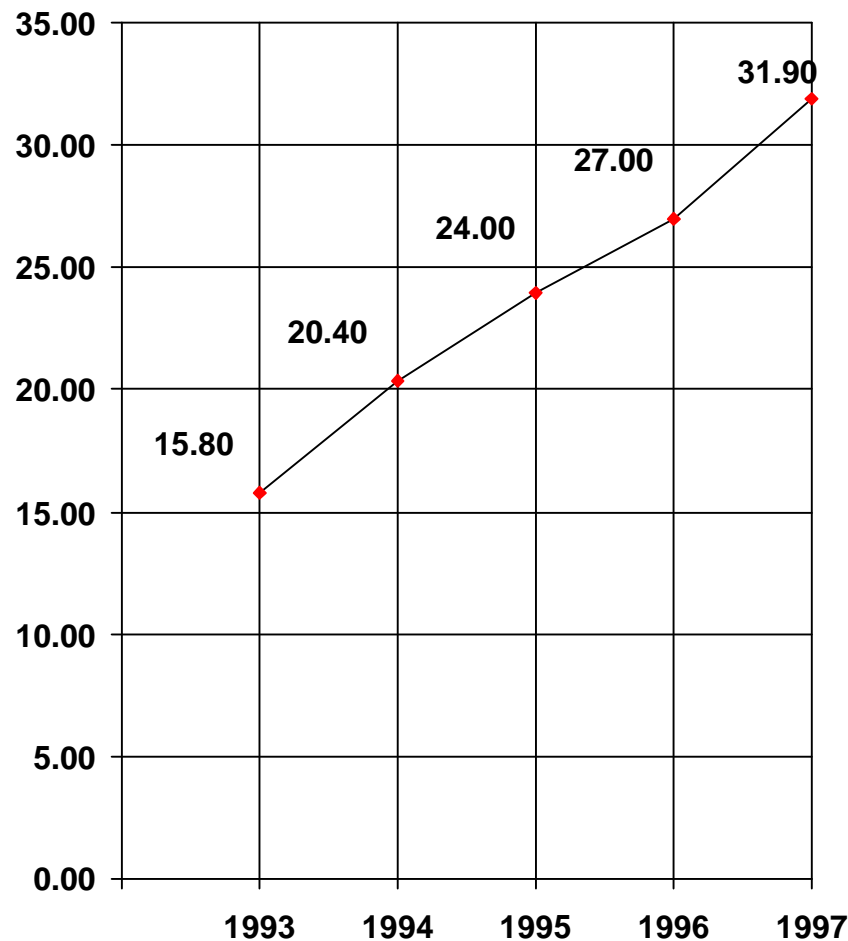


TABLE 5 CONSERVATION USE ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Greene	225	1,995,392	499	18,058	23,945	0	42,502
Gwinnett	445	23,444,530	5,861	235,619	486,474	78,882	806,836
Habersham	588	20,763,672	5,191	139,032	234,214	1,245,820	1,624,257
Hall	1,728	56,208,126	14,052	387,836	810,115	58,981	1,270,984
Hancock	78	864,575	216	23,983	14,542	0	38,741
Haralson	225	4,130,361	1,033	38,798	61,955	0	101,786
Harris	355	10,240,340	2,560	67,017	168,454	0	238,031
Hart	337	8,449,056	2,112	34,740	145,070	0	181,922
Heard	110	1,204,146	301	11,443	17,761	0	29,505
Henry	890	40,627,890	10,157	378,762	873,500	201,921	1,464,340
Houston	196	11,255,144	2,814	93,418	139,114	5,628	240,974
Irwin	602	7,742,205	1,936	86,326	129,217	0	217,479
Jackson	817	34,878,820	8,720	265,878	668,409	39,580	982,587
Jasper	647	23,398,316	5,600	255,809	350,534	0	611,943
Jeff Davis	5	190,477	48	1,407	2,429	0	3,884
Jefferson	0	0	0	0	0	0	0
Jenkins	6	112,541	28	1,617	1,318	0	2,963
Johnson	311	1,104,338	276	15,132	15,737	0	31,145
Jones	142	2,273,673	568	21,145	28,762	0	50,475
Lamar	229	4,598,462	1,150	37,938	77,208	0	116,296
Lanier	11	87,716	22	906	1,582	0	2,510
Laurens	0	0	0	0	0	0	0
Lee	120	5,827,394	1,457	72,905	92,073	0	166,435
Liberty	22	284,763	71	3,434	5,069	0	8,574
Lincoln	181	1,170,170	293	13,664	18,933	2,118	35,008
Long	43	582,012	146	8,168	9,196	0	17,510
Lowndes	60	1,205,719	301	6,377	17,290	0	23,968
Lumpkin	649	31,125,294	7,781	317,487	456,382	0	781,650
Macon	7	192,027	48	1,730	2,996	0	4,774
Madison	349	4,804,107	1,201	42,996	52,364	0	96,561
Marion	6	69,517	17	522	1,043	0	1,582
McDuffie	151	1,859,958	465	17,108	25,109	0	42,682
McIntosh	39	2,523,335	631	23,341	39,112	0	63,084

TABLE 5 CONSERVATION USE ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Meriwether	278	2,432,848	608	24,473	41,358	0	66,439
Miller	35	425,646	106	6,598	7,019	0	13,723
Mitchell	78	1,719,010	430	22,523	12,878	0	35,831
Monroe	288	5,244,911	1,311	31,994	63,831	0	97,136
Montgomery	34	298,344	75	2,598	3,976	0	6,649
Morgan	734	44,144,952	11,036	440,125	640,015	0	1,091,176
Murray	173	2,913,633	728	16,899	39,334	0	56,961
Muscogee	65	3,276,513	819	4,158	79,849	30,317	115,143
Newton	903	26,078,631	6,520	249,964	522,766	68,790	848,040
Oconee	1,013	33,323,098	8,331	298,084	576,489	0	882,904
Oglethorpe	12	84,482	21	881	1,309	0	2,211
Paulding	724	26,911,135	6,728	237,097	589,354	0	833,179
Peach	103	2,579,240	645	38,327	39,978	0	78,950
Pickens	220	10,148,557	2,537	65,052	141,065	0	208,654
Pierce	37	338,865	85	2,545	5,083	0	7,713
Pike	440	9,958,710	2,490	85,346	139,322	0	227,158
Polk	421	5,218,477	1,305	59,960	74,102	0	135,367
Pulaski	4	8,058	2	98	122	8	230
Putnam	132	2,973,793	743	37,262	37,856	0	75,861
Quitman	0	0	0	0	0	0	0
Rabun	192	8,906,068	2,227	75,883	63,411	0	141,521
Randolph	0	0	0	0	0	0	0
Richmond	135	2,435,309	609	14,392	50,094	3,478	68,573
Rockdale	116	5,688,986	1,422	73,730	142,110	0	217,262
Schley	0	0	0	0	0	0	0
Screven	17	111,113	28	1,471	1,689	0	3,188
Seminole	7	54,916	14	347	840	0	1,201
Spalding	235	5,117,907	1,279	59,112	96,370	15,799	172,560
Stephens	237	3,539,080	885	30,994	58,395	0	90,274
Stewart	4	35,328	9	401	437	0	847
Sumter	0	0	0	0	0	0	0
Talbot	887	9,471,737	2,368	150,317	144,728	0	297,413
Taliaferro	1	16,850	4	280	274	0	558
Tattnall	32	205,250	51	3,269	2,504	0	5,824

TABLE 5 CONSERVATION USE ASSESSMENT FOR 1997							
County Name	Parcel Count	Assessed Value Eliminated	State Tax Loss	County Tax Loss	School Tax Loss	Special Tax Loss	Total Tax Loss
Taylor	2	54,377	14	435	495	0	944
Telfair	3	14,654	4	137	200	0	341
Terrell	15	456,609	114	5,434	6,666	0	12,214
Thomas	634	22,470,728	5,618	135,553	195,887	21,947	359,005
Tift	713	23,396,100	5,849	215,769	274,904	0	496,522
Toombs	2	10,393	3	75	66	10	154
Towns	160	4,301,366	1,075	23,658	17,205	0	41,938
Treutlen	0	0	0	0	0	0	0
Troup	11,385	5,730,564	1,433	50,601	96,159	0	148,193
Turner	26	170,166	43	2,382	2,297	0	4,722
Twiggs	0	0	0	0	0	0	0
Union	578	24,704,028	6,176	144,766	209,984	0	360,926
Upson	340	4,847,095	1,212	53,148	76,341	0	130,701
Walker	15	214,550	54	843	3,484	0	4,381
Walton	691	32,967,421	8,242	357,038	551,597	0	916,887
Ware	16	84,198	21	947	1,523	0	2,491
Warren	53	307,399	77	3,720	5,078	0	8,875
Washington	1	9,436	2	87	168	0	257
Wayne	355	3,425,611	856	40,764	47,273	0	88,893
Webster	0	0	0	0	0	0	0
Wheeler	3	17,882	4	190	197	0	391
White	649	22,178,896	5,545	153,116	353,686	0	512,347
Whitfield	6	58,835	15	118	1,006	0	1,139
Wilcox	0	0	0	0	0	0	0
Wilkes	434	5,522,479	1,381	43,117	69,363	0	113,861
Wilkinson	178	1,060,223	265	10,357	16,433	0	27,055
Worth	121	1,211,281	303	13,397	14,354	0	28,054
Total	55,425	1,193,418,787	298,358	9,821,526	19,525,447	2,303,764	31,949,095

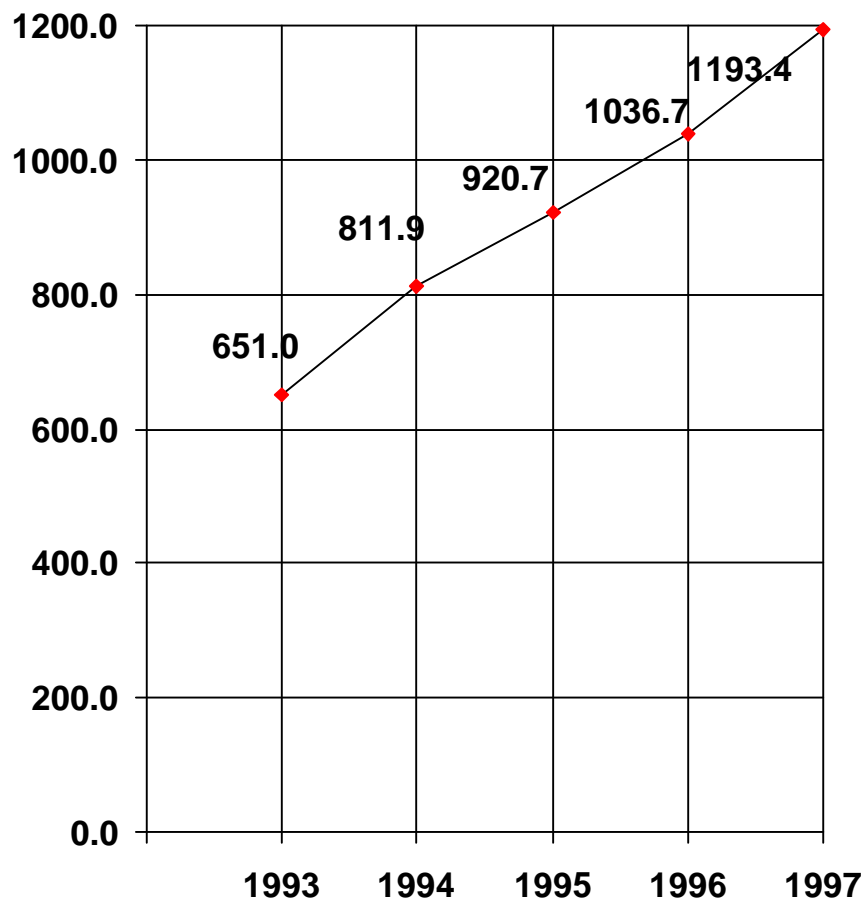
# Conservation Use Fiscal Impact- Revenues (Millions)



- This graph shows the amount of tax revenue lost for tax years 1993, 1994, 1995, 1996 and 1997.

**Figure 14**  
**1998 Legislative Report**

# Conservation Use Fiscal Impact- Values (Millions)



- This graph illustrates a trend of an ever increasing amount of value being removed annually from the State-wide taxable digest.

**Figure 15**  
**1998 Legislative Report**

## Timber Impact Report

Prior to 1992 timber was taxed annually as part of the tax digest. At that time, approximately 82 counties placed some value on standing timber, the other counties either did not tax timber or could not identify the value separate from the land value.

Along with Conservation Use Valuation the amendment to the Georgia Constitution which was approved by the electorate in 1991 also provided for a one time assessment on harvested timber versus the annual taxation of timber as part of the value of the real estate. Timber is taxed once at its current market value when harvested.

Pursuant to O.C.G.A. Section 48-5-7.4(s), see **Table 6** on the **following pages** regarding the 1996 timber revenue. The attached report shows the total assessed value (100%) of timber and the revenue for county and school purposes as reported on each county's 1997 digest.

Effective January 1, 1996, a change in the timber tax law affected the billing of owner harvest's transactions and the Department's requirement to develop annual average timber value tables. The Department is developing timber prices on an annual rather than a quarterly basis. **Table 7** on **pages 50 through 54** shows the average timber value table that has been developed for the 1998 owner harvest timber values. This is the first table which has been developed since the change in the timber laws.

**Figures 16 & 17 on Pages 48 and 49** shows the relationship between the fair market value of timber founded in the industry and the actual revenues levied on harvested timber.

The local tax officials have not had any method of confirming where timber has been harvested and whether or not the taxes were paid on timber. This has posed many problems in the past, however, funding was approved for a Satellite Imagery Project whereby the Department will purchase satellite photographs to be provided to all counties in helping solve this problem. This subject will be discussed under the Satellite Imagery Project Section beginning on page 55.

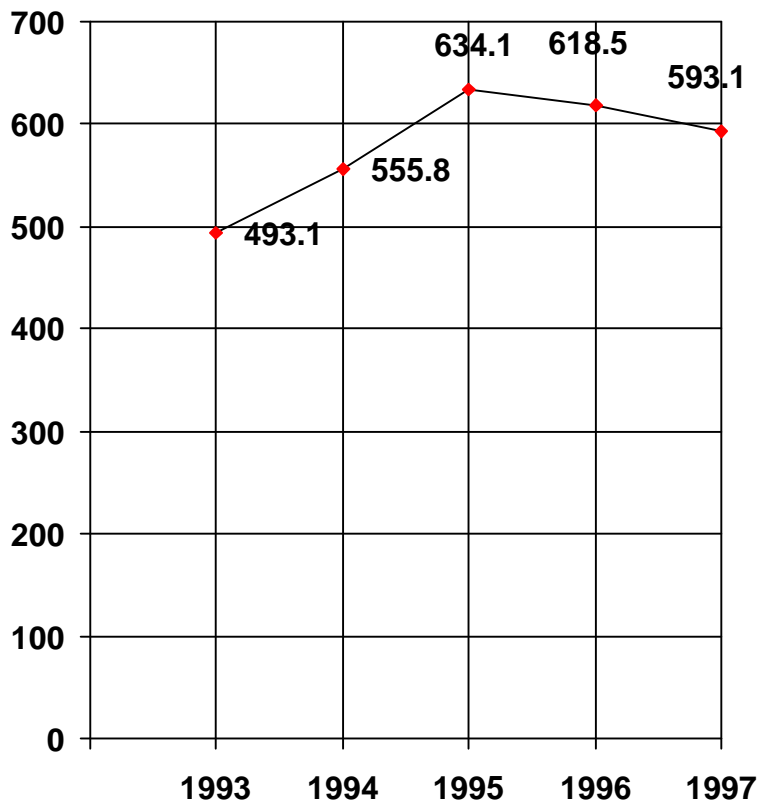
Table 6 TIMBER REVENUE FOR 1997									
County Name	Assessed Value	County	School	Total	County Name	Assessed Value	County	School	Total
Appling	8,000,000	56,000	105,760	161,760	Cobb	353,753	2,759	7,652	10,411
Atkinson	5,255,316	46,021	72,266	118,287	Coffee	6,659,757	27,661	117,012	144,673
Bacon	2,385,472	32,204	27,433	59,637	Colquitt	3,616,770	54,172	32,913	87,085
Baker	2,271,515	15,201	33,687	48,888	Columbia	6,244,407	41,838	115,584	157,422
Baldwin	5,860,146	63,114	107,885	170,999	Cook	4,045,361	27,477	64,726	92,203
Banks	1,228,446	9,764	13,390	23,154	Coweta	2,687,148	15,589	57,774	73,363
Barrow	1,169,264	9,354	23,993	33,347	Crawford	3,541,488	52,237	70,015	122,252
Bartow	514,808	3,295	10,384	13,679	Crisp	2,042,047	23,994	34,112	58,106
Ben Hill	3,948,885	64,288	79,965	144,253	Dade	112,230	814	1,743	2,557
Berrien	1,930,587	23,650	21,719	45,369	Dawson	101,288	940	2,076	3,016
Bibb	1,752,270	24,195	30,912	55,107	Decatur	7,189,442	79,084	78,005	157,089
Bleckley	1,886,955	21,832	26,889	48,721	Dekalb	337,627	915	8,316	9,231
Brantley	8,237,186	122,885	133,031	255,916	Dodge	7,700,000	77,000	100,100	177,100
Brooks	4,848,744	50,815	62,403	113,218	Dooly	2,710,392	28,188	48,245	76,433
Bryan	4,521,055	37,205	81,153	118,358	Dougherty	895,095	10,025	16,165	26,190
Bulloch	10,175,740	85,431	105,828	191,259	Douglas	470,949	4,582	9,937	14,519
Burke	7,183,548	34,481	73,631	108,112	Early	2,783,852	16,981	33,824	50,805
Butts	1,940,818	30,975	32,256	63,231	Echols	9,701,638	100,897	131,438	232,335
Calhoun	978,269	11,974	10,692	22,666	Effingham	9,436,686	98,698	186,469	285,167
Camden	19,122,873	257,585	308,834	566,419	Elbert	3,344,056	30,230	51,833	82,063
Candler	2,715,273	21,614	31,226	52,840	Emanuel	11,839,961	89,629	139,120	228,749
Carroll	3,755,256	19,527	70,495	90,022	Evans	1,769,343	20,100	19,463	39,563
Catoosa	160,435	568	2,406	2,974	Fannin	14,797	94	176	270
Charlton	12,484,001	148,330	196,498	344,828	Fayette	499,663	2,948	12,532	15,480
Chatham	3,169,815	37,658	63,333	100,991	Floyd	3,000,837	29,228	51,248	80,476
Chattahoochee	421,268	447	4,912	5,359	Forsyth	214,566	805	3,830	4,635
Chattooga	1,105,614	9,857	11,056	20,913	Franklin	1,430,816	6,768	20,260	27,028
Cherokee	2,082,447	14,569	43,211	57,780	Fulton	1,343,815	12,847	28,570	41,417
Clarke	839,997	13,037	18,379	31,416	Gilmer	1,292,075	8,047	18,089	26,136
Clay	1,300,000	19,305	14,079	33,384	Glascock	2,625,851	18,722	43,222	61,944
Clayton	1,091,831	5,328	21,662	26,990	Glynn	5,887,095	44,271	101,023	145,294
Clinch	10,000,000	96,000	160,000	256,000	Gordon	17,473	88	316	404
TABLE 6 TIMBER REVENUE FOR 1997									

County Name	Assessed Value	County	School	Total	County Name	Assessed Value	County	School	Total
Grady	6,019,672	42,740	87,285	130,025	McDuffie	3,766,120	34,573	55,249	89,822
Greene	9,475,844	85,593	118,601	204,194	McIntosh	6,615,120	62,182	102,534	164,716
Gwinnett	1,578,642	17,444	29,588	47,032	Meriwether	5,534,479	51,181	117,884	169,065
Habersham	1,119,181	7,465	13,173	20,638	Miller	1,217,665	16,706	18,192	34,898
Hall	833,872	5,879	13,209	19,088	Mitchell	5,683,675	67,720	49,621	117,341
Hancock	7,719,858	234,298	140,887	375,185	Monroe	2,521,106	15,379	30,707	46,086
Haralson	2,946,649	27,581	44,200	71,781	Montgomery	5,027,544	43,639	65,358	108,997
Harris	3,759,822	24,552	68,880	93,432	Morgan	2,613,074	28,639	39,196	67,835
Hart	937,544	3,872	10,482	14,354	Murray	723,866	4,198	10,496	14,694
Heard	963,416	9,422	13,247	22,669	Muscogee	608,201	2,654	14,822	17,476
Henry	2,233,045	20,812	48,010	68,822	Newton	1,441,543	11,085	29,018	40,103
Houston	2,967,309	24,925	40,444	65,369	Oconee	2,320,777	18,000	39,221	57,221
Irwin	4,325,340	48,228	72,190	120,418	Oglethorpe	7,643,065	71,310	106,009	177,319
Jackson	557,976	4,229	11,372	15,601	Paulding	1,067,080	9,646	23,369	33,015
Jasper	3,535,063	43,483	58,046	101,529	Peach	1,681,890	25,565	33,217	58,782
Jeff Davis	6,538,571	55,578	97,752	153,330	Pickens	228,595	1,580	4,014	5,594
Jefferson	7,558,699	87,604	101,287	188,891	Pierce	5,735,924	62,808	88,046	150,854
Jenkins	3,770,119	56,439	44,148	100,587	Pike	810,000	6,764	10,660	17,424
Johnson	5,793,709	79,374	84,009	163,383	Pol k	2,194,082	25,199	31,160	56,359
Jones	6,603,545	59,434	80,563	139,997	Pulaski	1,404,451	17,373	22,275	39,648
Lamar	1,257,720	10,691	22,450	33,141	Putnam	5,593,951	75,686	67,927	1,463,613
Lanier	1,262,517	13,332	19,544	32,876	Quitman	1,621,997	27,120	27,444	54,564
Laurens	7,618,997	49,523	107,656	157,179	Rabun	0	0	0	0
Lee	2,487,750	34,754	38,187	72,941	Randolph	6,590,152	39,080	95,689	134,769
Liberty	5,551,216	69,890	98,812	168,702	Richmond	1,628,000	11,038	31,860	42,898
Lincoln	3,762,379	29,368	61,816	91,184	Rockdale	1,118,298	15,612	28,595	44,207
Long	7,953,905	111,116	128,615	239,731	Schley	1,537,495	20,310	27,629	47,939
Lowndes	4,585,620	23,616	65,758	89,374	Screven	6,838,269	88,629	103,942	192,634
Lumpkin	405,993	4,344	7,154	11,498	Seminole	1,872,269	12,301	21,849	34,150
Macon	2,543,692	22,919	44,642	67,561	Spalding	858,753	9,919	15,363	25,282
Madison	1,097,790	9,780	11,637	21,417	Stephens	792,306	7,313	13,921	21,234
Marion	1,772,720	13,162	27,920	41,082	Stewart	3,226,069	36,777	38,229	75,006
TABLE 6 TIMBER REVENUE FOR 1997									



County Name	Assessed Value	County	School	Total	County Name	Assessed Value	County	School	Total
Sumter	2,871,306	31,297	49,272	80,569	Upson	2,308,347	24,007	36,356	60,363
Talbot	4,344,000	84,969	63,509	148,478	Walker	913,775	3,591	15,753	19,344
Taliaferro	3,069,959	52,159	46,663	98,822	Walton	1,949,879	23,067	34,123	57,190
Tattnall	5,999,536	96,253	79,194	175,447	Ware	14,354,668	161,490	259,532	421,022
Taylor	1,737,474	13,900	20,155	34,055	Warren	7,648,455	77,249	126,352	203,601
Telfair	7,677,738	62,343	104,571	166,914	Washington	8,014,007	73,488	139,764	213,252
Terrell	3,470,660	41,404	42,862	84,266	Wayne	15,149,703	195,431	235,578	431,009
Thomas	7,286,547	48,253	72,784	121,037	Webster	1,606,161	24,141	20,816	44,957
Tift	2,868,685	24,736	38,010	62,746	Wheeler	2,435,750	22,750	26,793	49,543
Toombs	4,725,475	30,390	59,305	89,695	White	208,836	1,650	3,460	5,110
Towns	0	0	0	0	Whitfield	1,073,073	2,149	18,320	20,469
Treutlen	3,039,291	48,689	38,538	87,227	Wilcox	5,543,123	85,918	69,899	155,817
Troup	4,294,734	37,923	83,490	121,413	Wilkes	12,221,203	121,723	155,087	276,810
Turner	2,898,478	40,579	41,593	82,172	Wilkinson	10,500,384	100,384	157,506	257,890
Twiggs	5,597,135	56,139	108,305	164,444	Worth	3,009,280	33,283	38,669	71,952
Union	1,407	8	11	19	Total	593,103,112	6,184,996	8,966,486	15,151,482

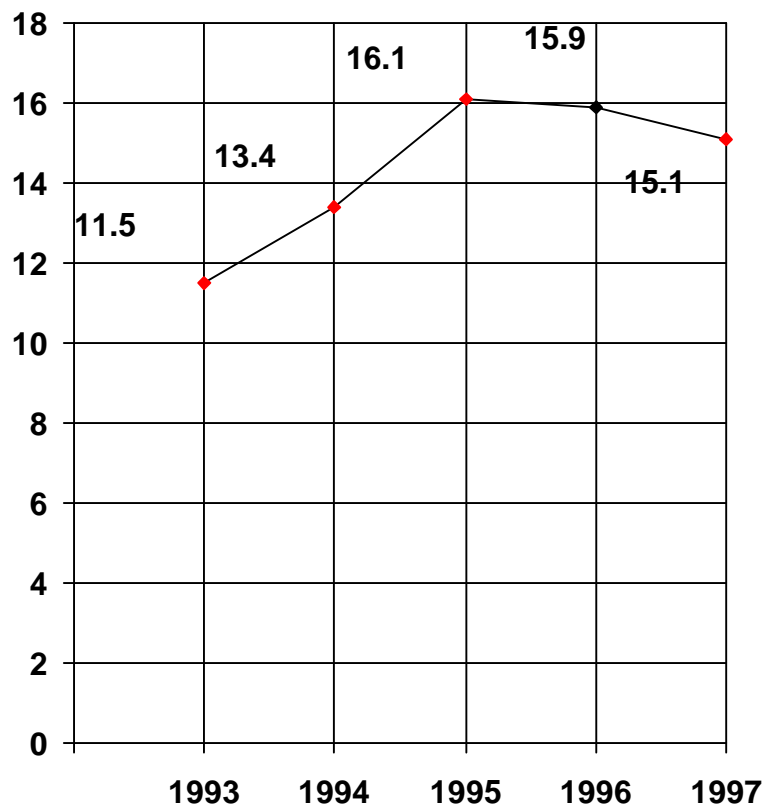
# State-Wide Timber Values (Millions)



- This graph shows the assessed values reported by the counties and school systems from timber sales and harvests for the tax years 1993 through 1997.

**Figure 16**  
**1998 Legislative Report**

# State-Wide Timber Revenues (Millions)



- This graph shows the amount of timber revenues realized by counties and school systems from timber sales and harvests for tax years 1993 through 1997.

**Figure 17**  
**1998 Legislative Report**

## Appraisal Procedures Manual

In 1997, O.C.G.A. Section 48-5-269.1 was amended to require the Commissioner to develop and maintain a procedural manual for use by county property appraisal staffs in appraising tangible real and personal property for ad valorem tax purposes.

During the last year, the Department has made excellent progress on the Development of the Georgia Appraisal Procedures Manual (APM). We already have a steadily growing working group of active Interested Parties now consisting of over 110 individuals. The Department regularly communicates via email with this "APM Group". The members are from DOR, local government, industry, homeowners, the Attorney General's Office, General Assembly and the new media. There are lawyers, CPA's, professional tax practitioners, educators and lawmakers represented.

Already we have circulated four drafts and have held three statewide public hearings. Dozens of individuals have submitted official public comment and the hearings were attended by hundreds of individuals and broadcast over the Georgia Statewide Academic and Medical Systems (GSAMS) teleconferencing network.

The entire process is documented on our website to allow for broad circulation and instant access by the general public. A newsgroup has been created allowing anyone with access to the Internet to post questions or offer input. The URL for the primary page on our website is:

<http://www2.state.ga.us/departments/dor/ptd/cas/appman/index.html>

The newsgroup is on the 'news.doas.state.ga.us' server and is named 'ga.dor.ptd.advalorem'.

This year we are forming six individual task forces to focus on specialized areas and seek consensus on what should be included in the manual. These task forces are composed equally of taxpayers and county representatives. Examples of issues they will address are "Economic Life Groups and Depreciation Tables", "Personal Property Return and Reporting form Revision", "Valuation of Urban Land", etc.

We have scheduled four additional drafts and three more public hearings for this year. Our plans are to have the Appraisal Procedures Manual in place by October 1, 1999.

Anyone interested in receiving updated information concerning the status of the Appraisal Procedures Manual, or would like to be added to the APM Group mailing list, may call our office at 404-656-4240. We will be happy to accommodate their request.

### Satellite Imagery Project

The Property Tax Division of the Georgia Department of Revenue will implement its satellite imagery project during the final half of 1999. The Department's project will consist basically of ground cover change detection using satellite imagery for the discovery of timber harvests. The pilot project's success opened the doors for the now existing satellite imagery project that will encompass the entire state of Georgia.

In 1997 the Georgia legislature appropriated funds to implement the satellite imagery project. The initiative for this approach came from the Timber industry, partly due to the response to the increasing concerns from several local governments that many timber harvests were not being reported for taxation. Many of the larger timber companies currently use satellite imagery to manage the forest growth and harvests for their companies and recommended this solution as a more effective means of monitoring harvest collections than extensive government regulation and intrusive enforcement. The timber industry joined forces with the Georgia Department of Revenue to support this satellite imagery project to improve the local tax authorities ability to tract timber harvests and to verify the accuracy of the timber harvests and to verify the accuracy of the timber harvest reports.

In early 1998, the Property Tax Division of the Georgia Department of Revenue established bid specifications for the purchase of imagery and for the manipulation of that imagery for the purpose of comparing ground cover changes from one year's images to another. The company winning the bid was Pacific Meridian Resources who has had much experience in this field.

The satellite imagery process begins through the selection of raw satellite imagery. The Department has begun the project by purchasing 30-meter imagery. Using two years of satellite data, software will be used to "subtract" the previous year's image from the current year's image. The results will be "changed polygons" that indicate areas where ground cover has changed. In order to accurately detect ground cover changes, the imagery must be adjusted for elevation distortions and the land use should also be categorized (i.e. Urban Land Cropland, Timberland, Water & Rivers, etc.).

The contract is still underway, with delivery of CD's to the counties anticipated by June 1999. We feel the cooperation between the Department, Pacific Meridian Resources and the GIS Clearinghouse will provide the counties with the most efficient and accurate means of detecting timber harvests that have not been reported and taxed.

The plan is to administer the entire project from within the Department in the following years. Therefore, in order to continue administering the project, we have recommended that funding for the use of satellite imagery for ground cover change detection be approved annually. (See the "Recommendations" Section of this report.)

Generally, the state of property tax administration in Georgia is excellent due in large part to the dedication of the state and county staffs, however, the strain of maintaining a uniform and fair system with limited resources is beginning to show. Trends show assessment quality beginning to again deteriorate and the trend cannot be stopped without either another round of expensive revaluations in the next three years or a greater centralization of expertise that can be made available to counties. With the passage of conservation use, new digest review procedures, the development of public utility equalization ratios and the new method of timber taxation, although significant efficiencies have been achieved, the resources of the Property Tax Division of the Department have been exhausted to the point that it has become necessary to cut back severely on state provided services.

It is our impression that Georgia is not taking advantage of an opportunity to reduce the overall cost of property tax administration by centralizing certain aspects of the process. The Department believes the following improvements will significantly reduce the cost to Georgians of our system of taxation while improving the uniformity of assessments:

1. **Increase the level of state appraisal expertise provided to the counties** - Since the new procedure for digest review shifted the responsibility for making the necessary property revaluations to maintain uniformity from the state to the counties, we have realized this change has exceeded the resources of most counties. Assessors turned to outside revaluation companies and paid over \$40 million in the few years following the passage of House Bill 1279 to upgrade their values. Unfortunately, the task of maintaining equity continues to exceed county resources and statistical analysis of sales shows uniformity again slipping.

The Department recommends the State provide more technical assistance to the counties to help them maintain uniformity of assessments. Additional field appraisers at the state level will effectively remove the necessity of counties having to turn to disproportionately expensive outside revaluation companies. The cost to the state will be a fraction of the cost to the counties and is completely reimbursed by the state's 1/4 mill levy. The constant presence of the local state experts is preferable to the roller coaster changes and politically explosive atmosphere that accompany revaluations by outside companies. This will restore stability and public confidence to the system and result in an overall tax savings to Georgians.

Georgia currently employs only 10 field staff positions for the administration of ad valorem tax. Of these 10 positions, one is

dedicated solely to the training of tax officials and board of equalization members as required by Georgia law, and one is dedicated the majority of the time to the Georgia Appraisal Program in demonstrating, programing and supporting the Department's low cost mass appraisal system currently used by approximately 100 counties. Of the other eight positions, most are required to also instruct training courses offered through the Georgia Certification Program for County Tax Assessors and Appraisers. These extra duties make it increasingly difficult for the staff to fulfill their regular duties, i.e., conservation use studies, public utility valuation, technical assistance to counties, digest reviews and ratio studies, timber tax administration, satellite imagery project needs, special projects that are needed from time-to-time and other various duties. As a comparison to the 10 field staff positions employed by Georgia for the administration of ad valorem tax Tennessee employs 95 positions, Florida employs 63, and Alabama employs 55.

2. **Continue Funding for Satellite Imagery** - For fiscal year 1998, \$250,000 was funded for the implementation of Satellite Imagery as a tool for verifying timber harvests throughout the state. And although funding has been provided for continuing this project during the 1999 and 2000 fiscal year, this project is an on-going one that requires the purchase of additional imagery every year or every other year in order to compare the ground changes that have occurred. The project also demands certain computer software and hardware for providing source data to county tax officials and other agencies interested in this technology. Training to both state and county officials is also required in insuring that the use and editing of the data is accurate for the intended use. In order to maintain the project, it is recommended that continuous funding be provided the Department for this purpose.
3. **Conduct Research Into Rapidly Evolving Technologies** - The past year has constituted a period of impressive change toward modernization of the Revenue Department, so as to provide accurate, fair and cost effective administration of the state tax laws. A commitment has been made to provide taxpayers and county tax officials with the information needed utilizing the most up-to-date technology available. This commitment has the future possibility of enhancing compliance and providing critical information for tax policy makers and those involved in taxpayer issues, as well as providing quality customer service to all interested parties. To this means, we have developed and continue to enhance a web site as a source of communication for public information services, and communication with other agencies and county tax officials. Current usage includes access to Codes, Rules and Regulations, electronic

data regarding property tax procedures, homestead exemptions, filing requirements, county millage rates, digest values, motor vehicle valuations, and state and county telephone and address information. In the future, we see the web site allowing for the electronic filing of public utility returns and the distribution and transfer of mass appraisal updates. The possibilities are endless. Therefore, in order to meet the requirements of O.C.G.A. Section 48-5-270 which requires the Commissioner to actively seek out technological advancements and systems that will improve the uniformity, fairness, and efficiency of property valuations and assessments and include these recommendations in the annual budget request, we recommend that general discretionary funding for research and development of appraisal technologies in the form of computer systems, data collection systems and data distribution systems using the Internet be made available.

- 4. Reinstate Budget Funds for Minimum Staff Supplements -** Up until the early 1990's the Department's budget provided for funding of one-half of the salaries of state-required minimum appraisal staffs and special salary supplements for appraisers obtaining specialized training and proving expertise in appraisal skills. Although the statutory authority still exists, neither of these programs have been funded for the last several years. The Department believes there is benefit to be gained in reinstating the staff grants to counties to encourage proper staffing levels and assessment practices.

The Department desires to provide to the legislature all information necessary for the proper evaluation of legislative impact and implementation of property tax policies. It is hoped this report can be a tool for further understanding the state of Property Tax Administration in Georgia. The staff of the Property Tax Division will be able to provide more information or clarification of information upon request.

Respectfully Submitted,

T. Jerry Jackson  
Revenue Commissioner